

formerly Merchandising Week

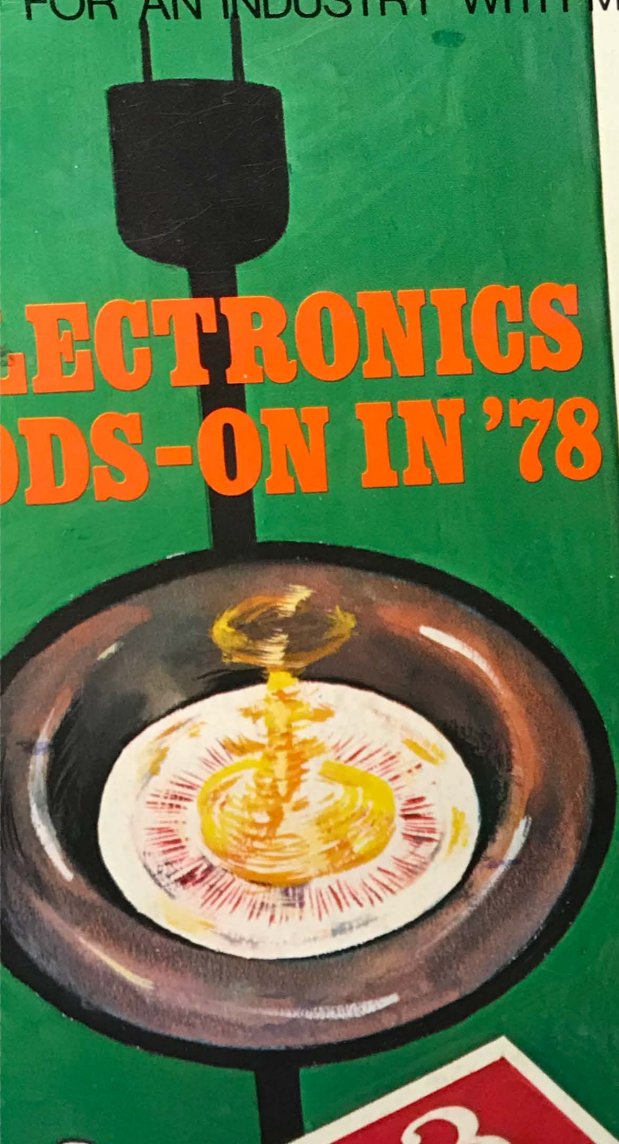
A BILLBOARD PUBLICATION

JAN. 1978 \$10

Merchandising

FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

**ELECTRONICS
ODDS-ON IN '78**



**HOUSEWARES
PREPS FOR
PEAK YEAR**



907776

Sam Krasnik

Trendings continued

HOME ELECTRONICS

Home electronics retailers are poised for a solid first half in color television sales, although the short-term effects of anticipated manufacturer price hikes have some merchants concerned.



They say the market may feel reverberations from consumer resistance to higher prices instituted in the traditionally soft first quarter of the year.

Dealers feel, however, that the gradual, low-level increases established throughout the year will hold and that consumers accustomed to hikes on other products, will also learn to live with higher tv tags. Behind their reasoning: Japanese producers' need to raise prices in the face of the strengthening yen, domestic manufacturers' rising costs and their own spiraling operating expenses.

Brown goods retailers are therefore sharpening up their merchandising strategies in preparing to meet the problem head-on.

Many merchants plan to put more effort into promoting color consoles, emphasizing furniture styling and family-centered home entertainment.

According to retailers, consumers are displaying more interest in tv cosmetics, preferring a streamlined look, and increasingly, wood-grain finishes.

And based on healthy 1977 activity, first-half sales of electronically-tuned remote control color sets should be on the upswing, dealers say.

In black-and-white tv, retailers look for exceedingly competitive pricing on 12-in. portables, chiefly reflecting the market entry of Korean and Taiwanese imports.

The 12-in., as well as the 19-in. screen size will also continue to be popular with consumers as units purchased for use with tv games.

Generally, retailers see a strong first half in a television set market they feel will be stimulated by the burgeoning fields of VTR and projection tv, as well as from the new home computer.

Videotape Scene

Comparing today's VTR marketplace to the color tv industry of the early 1960s, retailers expect further price cuts in the first half of the year by manufacturers they describe as vying for "penetration and clout."

Although they expect a slow-up in demand following the Christmas season, most merchants look for steady movement in VTR. They are worried, however, about deeper margin erosion and a consumer who, they say, is confused by the proliferation of VTR brands and varying prices.

"I hope VTR won't degenerate into the cesspool it seems to be becoming," was the way one anxious east-end dealer put it.

Still, most retailers expect VTR pricing to stabilize sometime in the first half at between \$700-\$1,000. With better availability, some merchants plan to narrow their lines to a few brands representing the basic VTR formats.

Another movement in the VTR marketplace will involve some retailers' deciding to abandon the category. Calling VTR "only a Christmas item," these

dealers are expected to dump their inventories and quit the field.

Less opportunistic merchants, however, are planning first-half VTR promotional campaigns. Some say they will shift to the "home movie" approach, highlighting the b&w or color video camera. Media include newspapers, regional magazines and direct mail.

Further, dealers are forecasting a big first-half business in VTR cassettes, made even stronger by 1977's short supply. In fact, some retailers say they had been forced last Christmas to limit the number of tapes sold to customers purchasing VTR units.

Apprehensive that new introductions will obsolete current models, retailers say they will play programmable tv games "close to the vest" in 1978's first half.

Price reductions similar to those experienced on dedicated chip units are also foreseen.

Some buyers say they are having difficulty keeping up with the ever-increasing stream of new electronics products, citing the fast-moving area of tv games as one example. They say the rush of new products allows little time to plan merchandising strategies and train sales personnel.

Start-of-the-year programmable tv games promotion will be conservative, according to merchants.

The citizens band radio market will undergo a retailer, as well as a manufacturer shakeout as 1978 unfolds, merchants predict.

Despite indications of price stability beginning to take hold after Jan. 1, more dealers, including mass merchandisers, plan to exit the CB arena, retailers maintain.

Increasingly, the market is moving to a two-tiered structure—low-end units sold at drug and variety stores, higher-end models, offered by specialty stores. While the latter will also deal in promotional equipment, these retailers are seen as grabbing the biggest share of market, primarily directing their merchandising to experienced CB'ers keen on upgrading mobile units and investing in base stations.

Merchants are getting excited about major manufacturers anticipated introductions of high-quality 3-tube projection tv systems.

They see emergence of an important new market—provided pricing is eventually brought down to "mass" levels.

"Small and cheap" or "big and expensive"—those are the console stereo movers for the first half, say retailers. Price points: Under \$300 and over \$500.

Retailers plan to continue to gear console promotions to the female audience. There are even spotty reports across the country of young couples, preferring the esthetics of consoles to components, trading in their hifi equipment for these furniture models.

John DeLano

NATIONAL

Even before the first quarter, all signs point with an upheaval in November retail sales.



jumped by 950,000 for the payrolls. Although dipped only slightly, high 57.8% of the payroll.

And finally, the Confidence Index for month by more than the Buying Plans points ahead of October.

So once again, retailers' willingness to come into a new trend. But of the strengthening likelihood of setting the stage for a new trend.

Not only do September sales gains quarter fillip, but the first half of 1978 will be a buildup of inventory output. This gains and increases into the year, and potential, the upswing.

Supplementing willingness of consumers. Credit extension are currently (as of a record pace.

The outlook for the tally rosy. promise slow.

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And this is the barring a igniting with Carter's promise to be on the order matters in balance "The system is

FTC says tv games won't harm tv sets

WASHINGTON—After a year's study, the Federal Trade Commission has decided that "reasonable use" of electronic video games will not harm television sets.

However, the FTC warned that screens on black-and-white tv sets may be more susceptible to having imprints of the games left on them after prolonged use than screens on color tv receivers. The Commission says it based its finding on tests conducted by the National Bureau of Standards and "other available evidence."

The FTC says it hasn't received any complaints from consumers about imprint problems from the games. "Most reported problems," according to the agency, "appear due to continuous display of games by dealers on showroom sets."

duced microwave ovens, line for '78 at Hardwick

he predicted healthy yearly increments that would bring that figure to 3-million units by 1985.

On microwaves, Brown noted that the firm developed its conception of the line and it

GE, Hitachi form joint venture to n television sets in

NEW YORK—General Electric and Hitachi Ltd. of Japan have agreed to form a jointly-owned company to produce and market television sets in the U.S.

GE's chairman Reginald Jones said at a security analysts' meeting last week that the joint venture would utilize personnel and facilities of GE's television division in Portsmouth, Va., and Syracuse, N.Y., and Hitachi will each own 50% of General Television.

The new company will produce television sets for Hitachi and private label tv sets. It will also manufacture color tv sets for other television makers. Jones said, would help assure the company about 4,000 employees in the U.S.

The sales and service organization will remain unchanged. GE's television product will be sold and marketed through its Major Appliance Group sales and distribution organization and Hitachi brand sets will continue to be sold through Hitachi Corp. of America.

In addition to the tv assembly plant in Portsmouth and the tube manufacturing plant in Syracuse, the joint venture's manufacturing facilities in Singapore will also be utilized. Hitachi's contribution to the



Redbook, Family Circle, Good Housekeeping Look at Personal Computers



Jane Keely, Jean Hewitt and Ann Arnott have a lot in common. Each is a top editor with one of the leading women's magazines, dedicated to making life a little easier and a lot more interesting for their millions of readers. They all have strong backgrounds in home economics. And each of them has become very interested in personal computing.

Keely, an editor with *Good Housekeeping* and director of appliances and home care for the Good Housekeeping Institute, the magazine's service department; Hewitt, food and equipment editor of *Family Circle*, and Ann



Family Circle's Hewitt

personal computer system. "To me, this business is going to be very much like the people who make flashlights to sell batteries. I think the biggest potential is in the software. Sooner or later, when the home computer becomes better understood and the market heats up and becomes a little more competitive, the guy with the best computer programs will have the competitive edge."

What impressed Ann Arnott the most was the fact that she could work the computer, step-by-step, in the English language using a basic typewriter-like keyboard. "But it's still a little complicated. It may be overwhelming for most consumers."

The editors agreed that unlike so many other new products, such as a home videotape recording system, or even calculators, the personal computer is totally new. You can't, for example, simply turn it on and off and learn a few easy-to-follow instructions. Indeed, the personal computer, no matter how simply designed, requires the first-time user to sit down with a detailed instruction manual and literally practice with every available program until comfortable with it.

"Certainly," says Keely, "just sitting down and running through any

simple program step-by-step would help take a lot of the fear out of it. But all this will come in time. There are more women working today and they're more likely to be in an office with a computer terminal; they're being exposed to this kind of equipment, so they may catch on very quickly."

"My only real concern now is the price," adds *Family Circle*'s Hewitt. "I think \$1,500 (the price of the APF PeCos) is a little steep for most consumers. It will have to get down to at least \$600 or even lower before we can even consider it a mass market item. The possibilities, though, in the years to come are fantastic. I'm very excited about this whole area of home computers personally as well as professionally. I can see it for menu planning, controlling various functions in the home, such as security systems and heating and air conditioning, and for medical records and financial planning. I'm not much for games myself, but I can see that interest."

Keely and Arnott have other reservations, however. "The main thing that haunts me," Keely says, "is that I have no conception of how these things work. I don't know



Redbook's Arnott

what's actually on the tape, or the difference between what's stored internally and what's on the tape. Also, I read something recently about RAM (random-access memory) and ROM (read-only memory). I don't understand what that's about. But the article stated that the RAM is instantly erased if the power is cut off. Does that mean all my household records are go-



APF president Sy Lipper

ing to be lost forever if my power goes off? See what I mean? I'm going to have to know more about how these things work before I really get involved."

Says Arnott: "I can see more use, at least initially, for a small business or by a doctor or dentist, who might use it for some home applications, too. I still think it's quite a ways down the road for mass use in the home. I keep thinking that Neiman-Marcus offered a computer in their Christmas catalog about six years ago. It was a very neat looking thing. The price was exorbitant. But computers are on the way."

Arnott and Hewitt say they have no immediate plans to cover personal computers in their magazines. But Keely expects to acquire "a couple" of small computers for product testing by the Good Housekeeping Institute, probably within the next six months. Imagine having the first computer with a Good Housekeeping Seal of Approval.

APF, others give high marks to potential

Why is APF Electronics, a company which has had so much success selling consumer electronic products under \$100 retail, suddenly moving into the \$1,500 bracket? Because the product, a personal computer, is only the beginning of a vast new range of products that have every likelihood of capturing the imagination of the same people who are investing millions of dollars in home videotape systems, microwave ovens and projection tv. The personal computer is new, it's functional, and it's fun. It's a new market, and a big one.



APF's PeCos 1016

The home segment of the market alone, which barely existed a year ago, except for the technically-oriented hobbyist, will hit the \$100 million mark this year, according to a recent study by Vantage Research Inc., Palo Alto, Calif.-based research and consulting firm. Already some 120 companies are promoting one kind of personal computing product or another and at least half of them actually manufacture.

There are table-top computers, priced from \$500 to \$1,500, that are as powerful as room-size systems of a few years ago.

Says Vantage: "The home computer is destined to take its place as an interactive, personal appliance which will provide entertainment, education, communications, and other important functions in our daily lives."

For the first time, the cost of the microprocessor, the so-called "computer on-a-chip," and the memory and peripherals have reached the point where it is possible to build very small but powerful computers for personal use in both home and office. And you don't have to be an engineer or computer programmer to make good use of these new products.

"When we place this on the market," says APF president Sy Lipper, "it will be so simplified that the average individual, with no previous knowledge of computers, with no technical training, will be able to operate the computer by simply answering the questions asked on the (video) screen."

The APF computer, dubbed PeCos (personal computer system) 1016, features a typewriter-type keyboard to communicate with the computer, and a tv set to display questions and answers, or any data stored on two audio cassette tapes. Most important to the user, PeCos has a simple set of commands and instructions.

APF's PeCos was designed in-house by Ken Boilen (hardware) and Sheldon Boilen (software).

Lipper says APF's PeCos will be on the market by the end of the first quarter, and a less expensive "promotional" model also is planned.

Lipper believes the potential for personal computers is limited only by the imagination of the user. Vantage Research president Bob Wickham takes it a step further: "The home computer has the potential for revolutionizing the ways in which people gather information, make decisions and learn new skills."

How to listen to Moscow, Russia... Moscow, Idaho and your good buddy, Max Moscow.



Panasonic introduces the Command Series.™

Tune in. Sit back. And travel the world with Panasonic's short wave radios—the Command Series. Set your itinerary by simply setting the dial. Stop off in London for a concert with the London Philharmonic. Be in Peking when they announce the new pecking order. Or visit old friends in the old country. Any old country. Even the good ol' U.S.A.

There are thousands of overseas and domestic short wave transmissions* you can tune in. And with an optional outside antenna, you'll get incredible accuracy with the RF-2800 (shown above). Because Panasonic's LED Digital Frequency Display is so precise, it's accurate to within 1 kHz. That's the kind of tuning that used to cost twice the price. That was up until the Panasonic RF-2800.



And if you want to hear more than short wave, the RF-2800 gives you more. Like SSB (single sideband) amateur radio. All 40 CB channels. Ship to shore. Even Morse communications. And, of course, there's AM and FM.

And like more expensive short wave receivers, the RF-2800 has an RF-Gain Control to enhance weak, distant stations or to prevent overload distortion from overstrong stations.

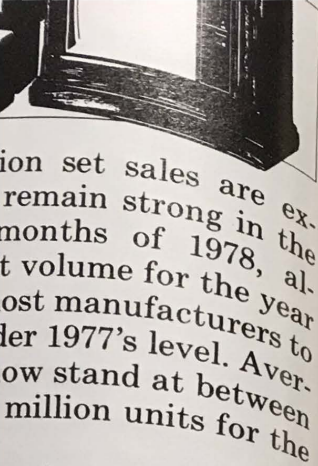
The Command Series from Panasonic. Now you can travel the world without ever leaving home.

*Short wave reception will vary with weather conditions, operator's geographic location and other factors.

Panasonic
just slightly ahead of our time.



Sitting in on a demonstration of APF Electronics' PeCos (personal computer system) were (l. to r.) Good Housekeeping's Keely and Roger Cook, Mort Jaffe, APF's Sheldon Boilen and Sy Lipper, Redbook's Arnott and Family Circle's Hewitt.



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MERCHANDISING

buoyant... adding that lower volume projections further illustrate the need for price increases.

Said Ken Ingram, senior vice president, Magnavox: "Prices will move up because we cannot continue to ignore costs—and our costs go up every time we turn around."

According to Robert Whitehouse, national sales merchandising manager, Sharp Electronics Corp., "television sales should maintain a brisk pace during the first half. If the economy improves," he added, "it will be a record year... but that's a big 'if'."

Shift in imports

Stan Hametz, general manager-tv dept., Panasonic, indicated that "emphasis may shift somewhat from Japanese imports to domestics and to sources such as Taiwan and Korea. While there are not enough of these (import) brands to fill market needs," he stressed, "they could, however, affect market stability."

Robert O'Neil, president, GTE Consumer Electronics Co., expects "a great first half. I think the year will total about 9 million units... or more. Just because Jan. 1 comes around doesn't necessarily mean the (sales) level must change."

Although expressing concern about the economy and admitting that the Orderly Marketing Agreement limiting Japanese imports could have a "slowdown effect," Norm Schnell, manager of marketing-tv business department, General Electric, predicts a 9.3 million unit year based on 1977 "industry strength. We think we'll get off to a good start," he said.

Hitachi's Ron Friedlander, vice president-sales, anticipates sales coming in at 9.2 million. "Based on current activity, my feeling is that color tv will be excellent in the first half," he stated.

TV Games

The big news in video games for 1978's first half is the cartridge business, expected to ignite this traditionally slow selling season.

JANUARY, 1978

ties. It put depend... firefighting and resc... radio on the moon.

In short, Motorola through technology communications. Im... new ideas to work.

We've made an... communications to

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And we are de... dealers. We need p... of the products the... better products to

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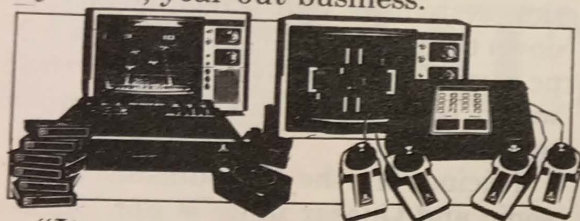
So stop in at th... Say hello and take... If you're interested

Just like we've... 40 years.

Because Moto... to stay.

MOTOROLA CENTER, 1299 E. ALGONQUIN

With manufacturer game introductions at a minimum, suppliers are eyeing the programmable cartridges as a "year-in, year-out business."



"It seems as though the tv game business will center on the second half of the year. So, during the first six months, we're hoping that customers will add on cartridges to games purchased during Christmastime," Joe Searfoss, manager, video products management, RCA's Distributor & Special Products Division, said.

Producers indicated that they are relying on the advertising and promotional momentum generated during the fourth quarter to bring in tv game business. Promotional efforts during the first half will be quite limited.

Pricing less crucial

Pricing, which has plagued the tv game arena since its inception, may be less of a factor in 1978, said suppliers. Many see softening in the low-end games, but little at the programmable end of the market.

"I don't see a softening in the programmable or cartridge market, but there will be a continuing drop in the low-end 'pong' type games. We will be keyed into the cartridge business during the first half and do quite a bit of

promotion in individual store programs with the units," John Vurich, product marketing manager, Atari, Inc. remarked.

Vurich added that he sees a heavy demand on cartridges which may cause slight delivery problems.

Inventory clean-up

Sources also added that there will be a clean-up of all excess '77 inventory which could result in heavy dealer promotion, based mainly on price.

"Over the next six months, most dealers will be ridding their shelves of the old tv games and getting ready for the new programmables and micro-processor units," Ken Ingram, senior vice president, marketing and sales, Magnavox, remarked. →

MOTOROLA INC.



Automotive Products Division

The Motorola Commitment

It put sound on wheels way back in 1930 with the introduction of its first car radio. It put dependable

Electronics Overviews

"We will be offering our new game in June with an eye toward fall selling. I see a definite increase in efforts at the high-end by most manufacturers. By this time next year, there should be few basic units on the market," Ingram added.

From Biorhtyms to Air and Sea Battles, programmable cartridges will be the center of tv game activity during the first half.

With bright
tv concept,
be 20% bright
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of firms.



Projection TV

Several Japanese manufacturers plan to enter the projection tv arena in 1978 to compete with Advent Corp.'s 3-tube 2-pc. models.

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ey are getting a lot
abinet." Others are
a smaller cabinet
ipment, he added.
trend for both, he

"exciting year" is
vice president and
f Superscope's Im-
ch includes console
first entry into that

onsole line, split be-
-in. models from
uggested retail, and

will be shown at Winter CES following
previews in Los Angeles, Chicago and
New York.

Strong trade and consumer adver-
tising will support the line, said Gle-
berman.

He looked for industry unit volume
to be "around three-quarters of a mil-
lion."

Personal Computers



Retailers will get their first good
look at a variety of personal
computing products at the
Winter CES in Las Vegas, ranging in
price from \$500 to \$1,500.

If you're asking yourself, "Should I
sell them?", the next question might
be "To whom?" Recent market studies
suggest the consumer shouldn't be
counted on to give the personal com-
puting market its initial boost. There
are other possibilities, however.

"There's an immediate need for mi-
crocomputers in small business appli-
cations," says Don Muller, senior vice
president of Pertec Computer Corp.'s
→

Electronics Overviews

Microsystems and Peripherals Group. Pertec recently acquired MITS, the leading home/hobby computer supplier. Muller believes what started essentially as a hobby kit market has evolved into a simple pre-assembled system that can be used by the average consumer or small businessman. "A mass market looms," says Muller.

But MITS now sells most of its kits and pre-assembled systems to small businesses. And Commodore, APF Electronics, Radio Shack, Texas Instruments and such lesser known firms as Apple Computer, Processor Technology, Southwest Technical and the Digital Group are aiming their first sales at the small business user. National Semiconductor recently com-

pleted a private study of the home computer market and determined that it could put together an assembled product, sell it in the \$300-\$400 range and make a profit, but the market will peak too soon to make an all-out effort worthwhile on National's part. However, the National study indicates that the small business computer market has significant long-range potential.

Market starting to widen

Will small businesses buy very small computers? Lou Van Eperen, who set up his first computer store in the Chicago area in 1976, qualifying him as a pioneer computer retailer (he now has six stores), says: "That's something we're going to have to learn within the next 18 months." Meanwhile, the gen-

eral consumer market is broadening, Van Eperen reports. People are buying personal computers to maintain auto records, handle household accounts, devise catalogs of phonograph records, create tax records and store countless other pieces of information that can be flashed on a tv monitor or their own tv set.

Also, unlike the video game, from which many home computer sales are expected to evolve, the computer should prove to be a year-around business.

Gene Carter, Apple Computer's director of dealer marketing, says his company will move from its present 4,000-sq.-ft. production facility in Cupertino, Calif. to a 20,000-sq.-ft. plant

this month. "We now have 203 stores," says Carter, "and we're adding two or three new stores a week." Most are high-end hifi specialists, picked by Apple for two key reasons: (1) their customers have indicated they're willing to put up a fairly heady fee to upgrade their home entertainment simply by walking in the door, and (2) hifi salesmen are generally better equipped technically to explain computers.

"We're strictly in the consumer market," insists Carter.

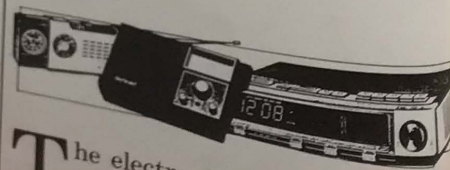
And a healthy market it is, estimated at \$100 million in 1978, and climbing to possibly \$1 billion by 1985.

Library of consumer programs

Umtech, a new manufacturer of home computer products, claims it has the first home computer with a library of educational, home management and entertainment programs. The "VideoBrain" does not require computer programming skill, already has FCC approval to use with a home tv set as a display, and will sell at a suggested retail price of \$500.

Albert Yu, Umtech president, says the unit will be sold through department stores and specialty electronic stores beginning this month. Twelve programs are now ready for market, including an educational series, games and financial, cash management, stock valuation and real estate programs. "We have over 50 programs in development," says Yu. "We'll be introducing them at a rate of three or four a month in 1978."

Radio



types could mean greater sales week after week.

First-half home sales will generally continue to embrace electronic clocks, tape recorders and portable electronic equipment.

"The first half of the year has been very good for electronic digital watches," noted Tom Tager-radio product manager.

Murray Waldman, sales manager for Kendale Television, is "very optimistic. I see a tail lift in the total market, adding that 'an upturn' in the first quarter of 1978."

At Panasonic, Department of sales manager-radio communications, anticipates growth in the short term, "mass merchandising," this business very active. "Technology has brought more popular level."

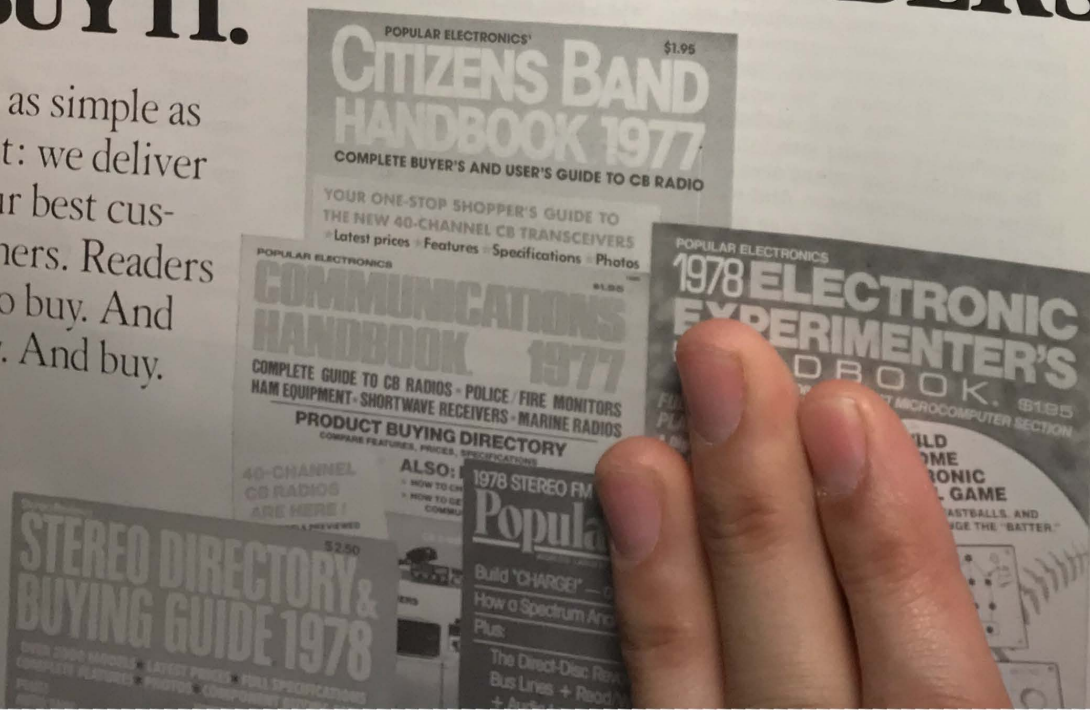
Accessories



The accessory market for the first half of the year is diverse as the product embraces, although continued improvement is substantial growth in audio and tv stands, record, tape-care and such accessories as amplifiers.

NO MATTER WHAT YOU SELL, OUR READERS BUY IT.

It's as simple as that: we deliver your best customers. Readers who buy. And buy. And buy.



US, N.J. Among entries is model CT-2517 25-in. color tv with 100% solid-state and "The Color Pilot" to maintain consistent lifelike color, tint, and contrast levels. Features of the unit include fine tuning, video sensor power regulation transformer, control, sharpness control, "Click Stop" tuning, channel window indicator, master antenna connector and 6-in. speaker.

Other Panasonic models include six color units; Omnivision IV for home video cassette at \$1,095 and three black-portables—a 16-in. unit and models, all 100% solid state and VHF/UHF unipotentia and "Click Stop" tuning. *One Panasonic Way, M, N.J. 07094.*

Sylvania



Sylvania's VTR

A, N.Y.—A video tape which can tape up to four television programs and also for home recordings has been introduced by the Entertainment Group, GTE Sylvania

\$995, the Sylvania Instant manufactured by Matsushita, an optional black-and-white at \$319.95.

an electronic digital clock the unit also has a "direct control, memory switch, microphone jack and auto button. The unit uses two—the Teo

Atari

SUNNYVALE, Calif.—Atari, Inc. is displaying four new game programs (cartridges) for its Video Computer Systems. This gives the company a total of nine programs for the unit.

The nine units include Combat Game, which includes 27 game variations of tank, tank pong, invisible tank, biplane and jet fighter, and sold with the system at \$199.95.

Other game programs retail for \$19.95 and include Air/Sea Battle; Star Ship; Street Racer; Video Olympics; Surround; Basic Math and Blackjack. A ninth cartridge, Indy 500, retails at \$39.95.

Atari has also shown its Stunt Cycle video game at \$72.95; Ultra Pong (\$42.95) and Ultra Pong Doubles (\$52.95) and Video Pinball at \$89.95.

Atari Inc., 1265 Borregas Ave., M, P.O. Box 9027, Sunnyvale, Calif. 94086.

RCA Corp.

NEW YORK—RCA Corp. has presented its 10th add-on cartridge for its Studio II Home TV Programmer.

The newest cartridge, Biorhythm, uses the keyboard of the programmer to enter a personal birth date and the current date into the Studio II computer. The unit takes these facts and prepares charts concerning the individual's physical, emotional and intellectual cycles for the next 31 days which are displayed on the screen of the tv set.

Other cartridges recently debuted include Speedway/Tag and Gunfighter/Moonship Battle. Optional prices of the cartridges are \$14.95 and \$19.95, depending on the complexity of the program.

RCA Distributor & Special Products division, M, Deptford, N.J. 08096. mga set 1/78

Sharp model 3T-50

JVC America

MASPETH, N.Y.—JVC America Co., division of US JVC Corp., has debuted four "Hi-Fi" color tv sets including the 7980 19-in. unit with electronic touch tuning and remote control capability.

Featuring an electronic eye, which adjusts the picture to changes in lighting, the 7980 also offers in black matrix picture tube, 12-post electronic touch tuning, random access remote control, Simpla-M color system, preference override, sliding volume control in a simulated walnut grain vinyl cabinet.

Other JVC entries include the 7980 with all the features of the 7980 without remote control; model 7280 19-in. unit with Electronic Eye, Simpla-M color control system and automatic tuning in a simulated walnut grain cabinet and the 7280W with all the aforementioned features in an anti-static white plastic cabinet.

JVC America Co., 58-75 Queens Midtown Expressway, M, Maspeth, N.Y. 11378.



By shortening our neck, we were able to move our new to the front of the tube.

The result is an electronic than we've ever had before. So now every smile

VHF/UHF unipoten
"Click Stop" tuning.
Panasonic Way, M,
7094.

nia



ia's VTR

Y.—A video tape
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red by Matsushita,
optional black-and-
19.95.

tronic digital clock
also has a "direc-
l, memory switch,
phone jack and au-

The unit uses two
T60 for one or two-
the T120 for two or

, Batavia, N.Y.

Blackjack. A ninth cartridge, Indy 500,
retails at \$39.95.

Atari has also shown its Stunt Cycle
video game at \$72.95; Ultra Pong
(\$42.95) and Ultra Pong Doubles
(\$52.95) and Video Pinball at \$89.95.

Atari Inc., 1265 Borregas Ave., M,
P.O. Box 9027, Sunnyvale, Calif. 94086.

RCA Corp.

NEW YORK—RCA Corp. has
presented its 10th add-on cartridge for
its Studio II Home TV Programmer.

The newest cartridge, Biorhythm,
uses the keyboard of the programmer
to enter a personal birth date and the
current date into the Studio II com-
puter. The unit takes these facts and
prepares charts concerning the indi-
vidual's physical, emotional and intel-
lectual cycles for the next 31 days
which are displayed on the screen of
the tv set.

Other cartridges recently debuted
include Speedway/Tag and Gun-
fighter/Moonship Battle. Optional
prices of the cartridges are \$14.95 and
\$19.95, depending on the complexity of
the program.

RCA Distributor & Special Prod-
ucts division, M, Deptford, N.J. 08096.
mga set 1/78

Amtron Video

CHICAGO—From Amtron Video
Corp. comes the Epic 110 video projec-
tor designed for the commercial user

color system,
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walnut grain

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Product Picture

Hanimex Corp.



Hanimex' model TDP850

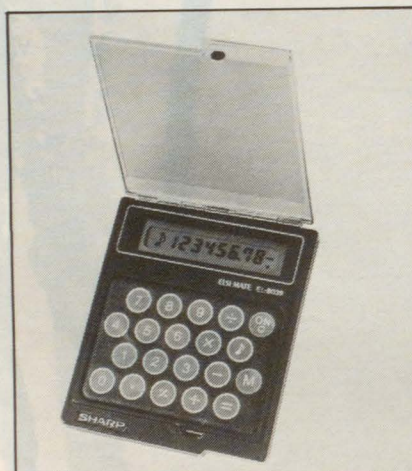
ELK GROVE VILLAGE, Ill.—International Merchandising Associates, Inc., subsidiary of Hanimex Corp. Ltd., has added model TDP850 thermal printing calculator with 12-digit digital display, operating on batteries or AC adaptor.

Selling at \$89.95, the unit offers three independent memories, discount/add-on sequences, floating and fixed decimal system and subtotal and non-add printing.

Other new entries include model 205 pocket memo cassette recorder/player with built-in memory calculator and automatic level control at \$99.95; model 105 micro-mini cassette recorder/player at \$49.95 and model TP750 thermal printing memory calculator at \$79.95.

International Merchandising Associates, Inc., subsidiary of Hanimex Corp. Ltd., 1801 Touhy Ave., M, Elk Grove Village, Ill. 60007.

Sharp Electronics



Sharp's model EL-8039

PARAMUS, N.J.—Among Sharp Electronics Corp.'s consumer calculator entries is model EL-8039 designed with an Art Deco flavor in ebony and brushed chrome. Instead of protruding keys, an auto-sensing control panel records the number while an electronic beep verifies the entry. Selling at \$39.95, the unit offers up to 1,500 hours of operation on two silver oxide batteries.

Sharp has also added four "Thin Man" units; two 10-digit printers and model CT-500 combination electronic calculator and LCD digital watch which also functions as a calendar, alarm clock, stop watch and a world time teller.

Sharp Electronics Corp., 10 Keystone Pl., M, Paramus, N.J. 07652.

Marcel Watch

NEW YORK—Marcel Watch Corp. is displaying a solar-powered calculator/watch with continuous LCD display of hours, minutes, seconds and month-date calendar and dual night viewing lights. In the calculator mode, the unit offers algebraic logic, scientific notation, trig and logarithmic functions, store/recall memory, pi, power of number keys, register exchange and reciprocal key.

Marcel has also shown a 5-function LCD ladies model with back-light; a men's 5-function LCD plus back-light

solar watch and a ladies 5-function LCD plus back-light solar unit.

Marcel Watch Corp., 1180 Avenue of the Americas, M, New York, N.Y. 10036.

Canon U.S.A.

LAKE SUCCESS, N.Y.—Among Canon U.S.A., Inc.'s new calculator introductions is model P10D 10-digit handheld printer with blue digitron display.

Retailing at \$99.95, the unit offers one direct access memory, item count switch, non-add reference key, switch for round off or round down, power

and reciprocal calculations, percent, add-on and discount calculations plus the four basic functions.

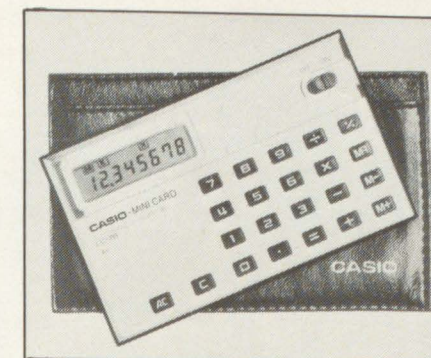
Canon has also introduced model LC Quartz 8-digit with LCD display and clock functions that show day, date, hour, minute, AM/PM, standard stop watch and lap and loss time functions at \$59.95; model MD810 dual display desktop with digitron 8-digit display at \$49.95 and model LC1014 10-digit desktop with LCD display at \$69.95.

Canon U.S.A., Inc., consumer calculator division, 10 Nevada Drive, M, Lake Success, N.Y. 11040.

Casio

FAIRFIELD, N.J.—Among Casio, Inc.'s introductions is model LC-78 "Mini Card" horizontal super-slim unit with 8-digit LCD display, four basic math functions, seven-function percent key and an independent memory system. Selling at \$29.95, the unit comes with a leatherette pouch with a pocket for business cards and offers a feature where the user can see in the display area the function that is being computed.

Casio is also showing model MQ-2 flip-top calculator and clock/calen-



Casio's Mini Card

dar/alarm combination for \$59.95; model AQ-810 LCD model, that is also

a clock, alarm and alarm-timer at \$39.95; LC-822, 8-digit unit; model H-816 basic model and five scientific units, two in leatherette cases, all from \$12.95 to \$49.95.

Casio, Inc., 15 Gardner Road, M, Fairfield, N.J. 07006.

Timex

GREENWICH, Conn.—Among Timex Corp.'s 41 Marathon LCD units is the new 911702 with round chrome-plated bezel, dark blue mask and adjustable curved link band at \$45.95.

Other new LCDs include the 995801

with stopwatch, cushion bezel, dark brown mask and stitched black strap at \$54.95; style 927812 with tapered satin finish and adjustable link band at \$44.95 and style 927711 with midnight blue mask and black strap for \$36.95.

Timex has also shown eight LED units.

Timex Corp., 666 Steamboat Rd., M, Greenwich, Conn. 06830.

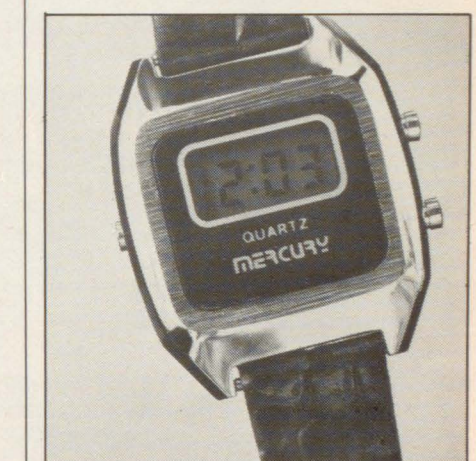
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Using a bank of photocells to convert the ambient light into the electrical power needed to operate the unit, the Photon offers an 8-digit LCD display, indicators for overflow and memory storage, live percent key, square root, four-key memory and sign change keys. It sells at \$39.95.

Teal Industries, Inc., Victoria Business Park, 251 East Victoria St., M, Carson, Calif. 90749.

Leisurecraft



Mercury Time's womens watch

PLAINVIEW, N.Y.—A new five-function LCD women's watch highlights Mercury Time, division of Leisurecraft Products, Ltd., CES entries.

Available in gold or silver-tone with matching mesh bracelet, the watch offers a backlight function and retails at \$39.95.

Other Mercury Time additions include an LCD digital alarm chronograph with six-digit read-out, electronic alarm and stopwatch function at \$150; an LCD with six-digit read-out and backlight at \$79.95 and an LCD with stop-watch function and five functions for \$39.95.

Mercury Time, Leisurecraft Products, Ltd., M, Plainview, N.Y. 11803.

Sinclair Radionics

NEW YORK—Sinclair Radionics, Inc. is displaying the Sovereign calculator with 8-digit display, four functions, percent key, error corrections, square root key, constant and memory.

The digital LED keyboard displays in red numbers. It is available in hand-polished gold (\$125), brushed chrome (\$60) or black (\$39.95).

Sinclair Radionics, Inc., 115 E. 57th St., M, New York, N.Y. 10022.

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MORE GAMES.

Channel F offers a complete library of games. In fact, more different games on handy plug-in cartridges than any other system available. Not variations on a few basic games. But totally different games. Entertaining action games that challenge your skill and reflexes. Sophisticated educational games that challenge your intelligence and logic.

We introduced a game-a-month in '77, and to begin '78, we're introducing four more. And that's important to you because once your customers buy Channel F, they'll keep coming back for Fairchild Videocarts™. And no other system offers as full an assortment of games.

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Channel F is made by a company with unique microcomputer expertise. We invented the modern integrated circuit. We're one of the world's largest semiconductor manufacturers.

And that engineering excellence gives Channel F an advanced technology not found in other video games.

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MORE SUPPORT.

Our compact Demonstration Center is designed to inform your customers. It complements your sales staff by explaining, step-by-step, how to use Channel F.

We're introducing a new Demonstration Cartridge that continuously previews ten of our most action-packed games. And we're also going to continue to support

you with training seminars and in-store demonstrations.

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Channel F will have a full program of consumer advertising on television as well as in print and direct mail during your peak selling season.

And, a generous co-op program which offers you an advertising allowance to promote Channel F on a local basis. In addition, Fairchild will furnish you complete promotional materials including ad slicks, P.O.P., brochures and much more.

Then, to make Channel F still easier to handle, we're taking service headaches away from you and putting them in four regional service centers geared to give your customers prompt response.

MORE PROFIT.

Channel F gives you a big ticket video system, excellent dealer margins and the add-on sales potential of Channel F Videocarts.

In short, every unit you sell delivers more dollar volume. And that means more profit to you.

MORE INFORMATION.

If you'd like to learn how you can stop playing games and become a network salesman, call (800) 227-9990 or (in California) (800) 982-5880. Or write Fairchild Video Products, Mail Stop 30-102, 4001 Miranda Avenue, Palo Alto, California 94304.

Fairchild Camera and Instrument Corporation

GREAT FAMILY ENTERTAINMENT FROM THE FAIRCHILD VIDEO SYSTEM

MERCHANDISING



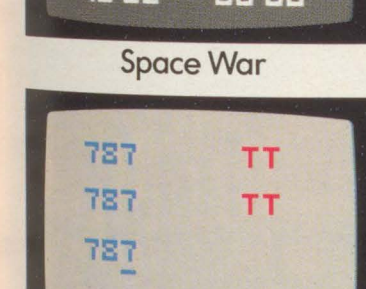
Tic-Tac-Toe



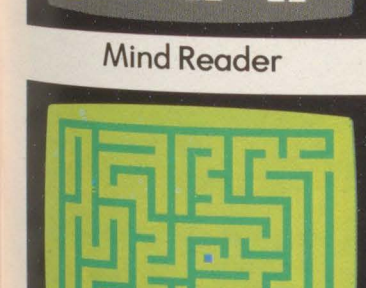
Shooting Gallery



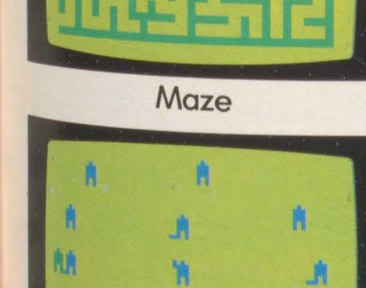
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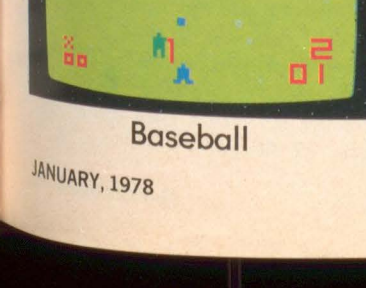
Desert Fox



Blackjack



Spitfire



Math Quiz - Subtraction



Math Quiz - Division



Space War

Mind Reader

Nim

Drag Strip

Maze

Backgammon

Acey-Ducey

Baseball

Hockey

Tennis

JANUARY, 1978

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subsidiary of Hanimeex
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Electronics



arm's model EL-8039

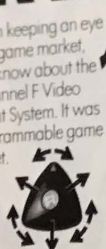
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Electronics Corp., 10 Key
M. Paramus, N.J. 07652.

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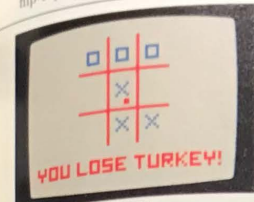
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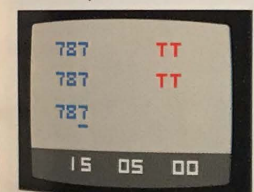
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Desert Fox



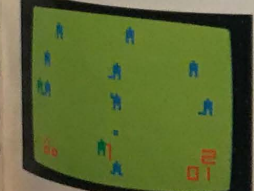
Space War



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JANUARY, 1978



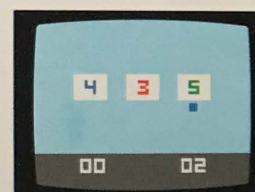
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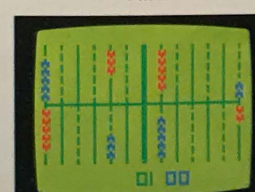
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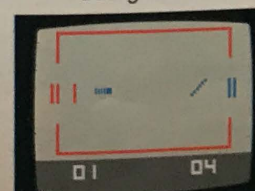
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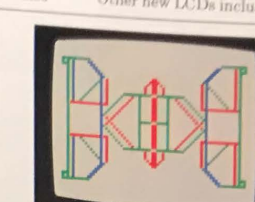
Nim



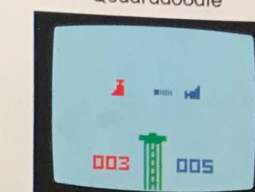
Backgammon



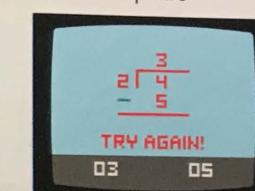
Hockey



Quadradoodle



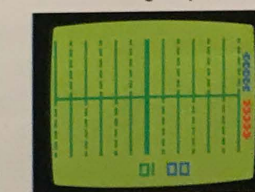
Spitfire



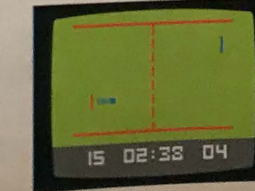
Math Quiz—Division



Drag Strip



Acey-Ducey



Tennis

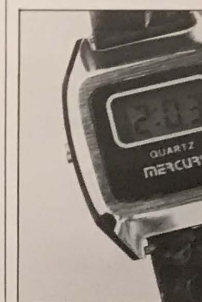
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Teal Industries, Inc., Victorville Business Park, 251 East Victorville, Carson, Calif. 90749.

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Mercury Time's women's

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Mercury Time, Leisurecraft Products, Ltd., M, Plainview, N.Y.

Sinclair Radionics

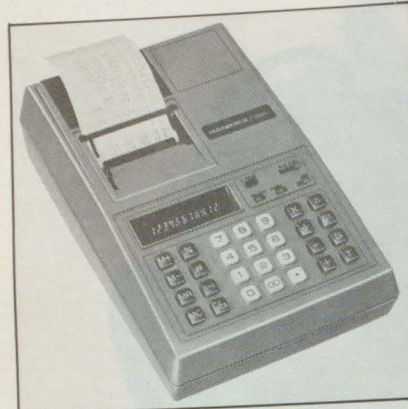
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Sinclair Radionics, Inc., St. M, New York, N.Y. 100

Product Picture

Hanimex Corp.



Hanimex' model TDP850

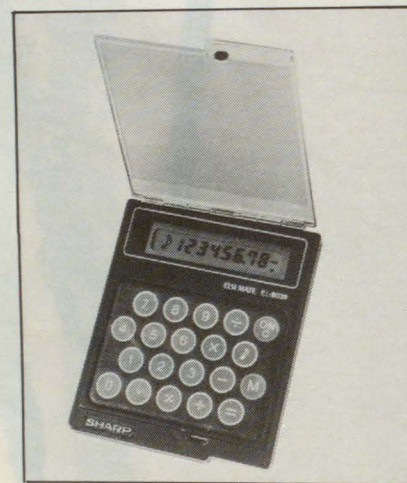
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Channel F gives you a video system, excellent margins and the added potential of Channel F Videocarts™. In short, every unit you delivers more dollar volume. And that means more profit.

MORE INFORMATION.

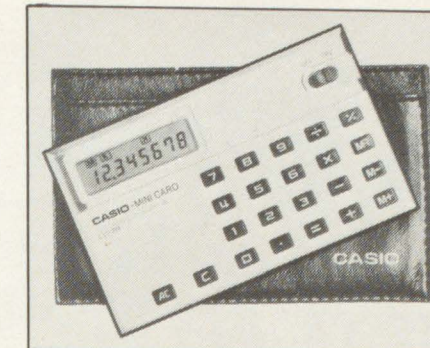
If you'd like to know more about the Channel F video system, excellent margins and the added potential of Channel F Videocarts™, you can stop planning and begin selling. Call our network sales office at (800) 227-9900 (in California, (800) 227-9900). Or write Fairchild Video Products, Inc., 4001 Miranda Blvd., Palo Alto, California 94303.

GREAT FAMILY ENTERTAINMENT FROM THE FAIRCHILD VIDEO SYSTEM

Casio

FAIRFIELD, N.J.—Among Casio, Inc.'s introductions is model LC-78 "Mini Card" horizontal super-slim unit with 8-digit LCD display, four basic math functions, seven-function percent key and an independent memory system. Selling at \$29.95, the unit comes with a leatherette pouch with a pocket for business cards and offers a feature where the user can see in the display area the function that is being computed.

Casio is also showing model MQ-2 flip-top calculator and clock/cal-



Casio's Mini Card

dar/alarm combination for \$59.95; model AQ-810 LCD model, that is also

a clock, alarm and alarm-timer at \$39.95; LC-822, 8-digit unit; model H-816 basic model and five scientific units, two in leatherette cases, all from \$12.95 to \$49.95.

Casio, Inc., 15 Gardner Road, M, Fairfield, N.J. 07006.

Timex

GREENWICH, Conn.—Among Timex Corp.'s 41 Marathon LCD units is the new 911702 with round chrome-plated bezel, dark blue mask and adjustable curved link band at \$45.95. Other new LCDs include the 995801

with stopwatch, cushion bezel, dark brown mask and stitched black strap at \$54.95; style 927812 with tapered satin finish and adjustable link band at \$44.95 and style 927711 with midnight blue mask and black strap for \$36.95.

Timex has also shown eight LED units.

Timex Corp., 666 Steamboat Rd., M, Greenwich, Conn. 06830.

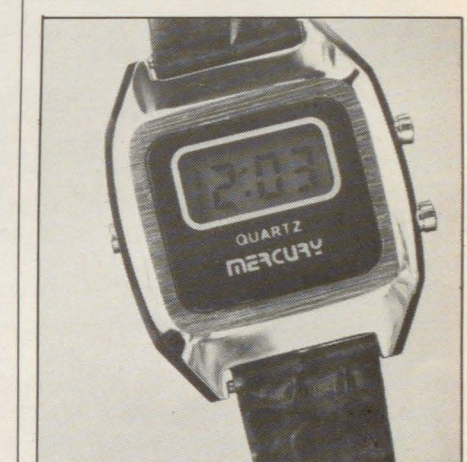
Teal Industries

CARSON, Calif.—Teal Industries, Inc.'s consumer products division is offering the Photon, a "Pure Solar" calculator that has no battery.

Using a bank of photocells to convert the ambient light into the electrical power needed to operate the unit, the Photon offers an 8-digit LCD display, indicators for overflow and memory storage, live percent key, square root, four-key memory and sign change keys. It sells at \$39.95.

Teal Industries, Inc., Victoria Business Park, 251 East Victoria St., M, Carson, Calif. 90749.

Leisurecraft



Mercury Time's womens watch

PLAINVIEW, N.Y.—A new five-function LCD women's watch highlights Mercury Time, division of Leisurecraft Products, Ltd., CES entries.

Available in gold or silver-tone with matching mesh bracelet, the watch offers a backlight function and retails at \$39.95.

Other Mercury Time additions include an LCD digital alarm chronograph with six-digit read-out, electronic alarm and stopwatch function at \$150; an LCD with six-digit read-out and backlight at \$79.95 and an LCD with stop-watch function and five functions for \$39.95.

Mercury Time, Leisurecraft Products, Ltd., M, Plainview, N.Y. 11803.

Sinclair Radionics

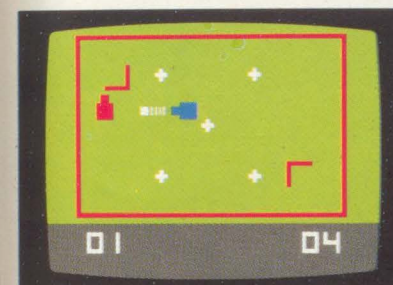
NEW YORK—Sinclair Radionics, Inc. is displaying the Sovereign calculator with 8-digit display, four functions, percent key, error corrections, square root key, constant and memory.

The digital LED keyboard displays in red numbers. It is available in hand-polished gold (\$125), brushed chrome (\$60) or black (\$39.95).

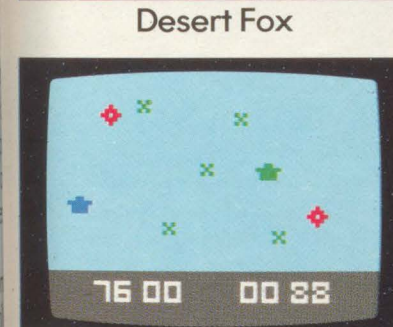
Sinclair Radionics, Inc., 115 E. 57th St., M, New York, N.Y. 10022.



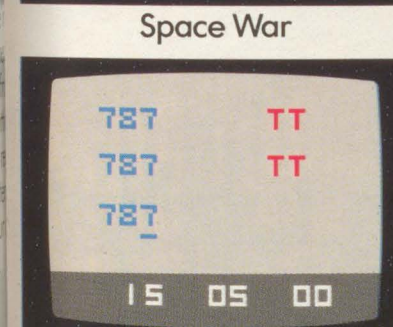
Tic-Tac-Toe



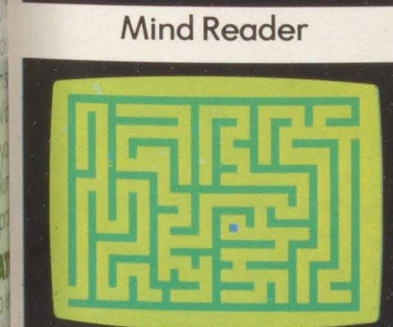
Shooting Gallery



Quadroodle



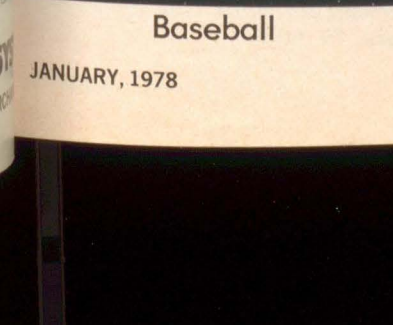
Desert Fox



Blackjack



Spitfire



Math Quiz—Subtraction



Math Quiz—Division

Space War

Mind Reader

Nim

Drag Strip

Maze

Backgammon

Acey-Ducey

Baseball

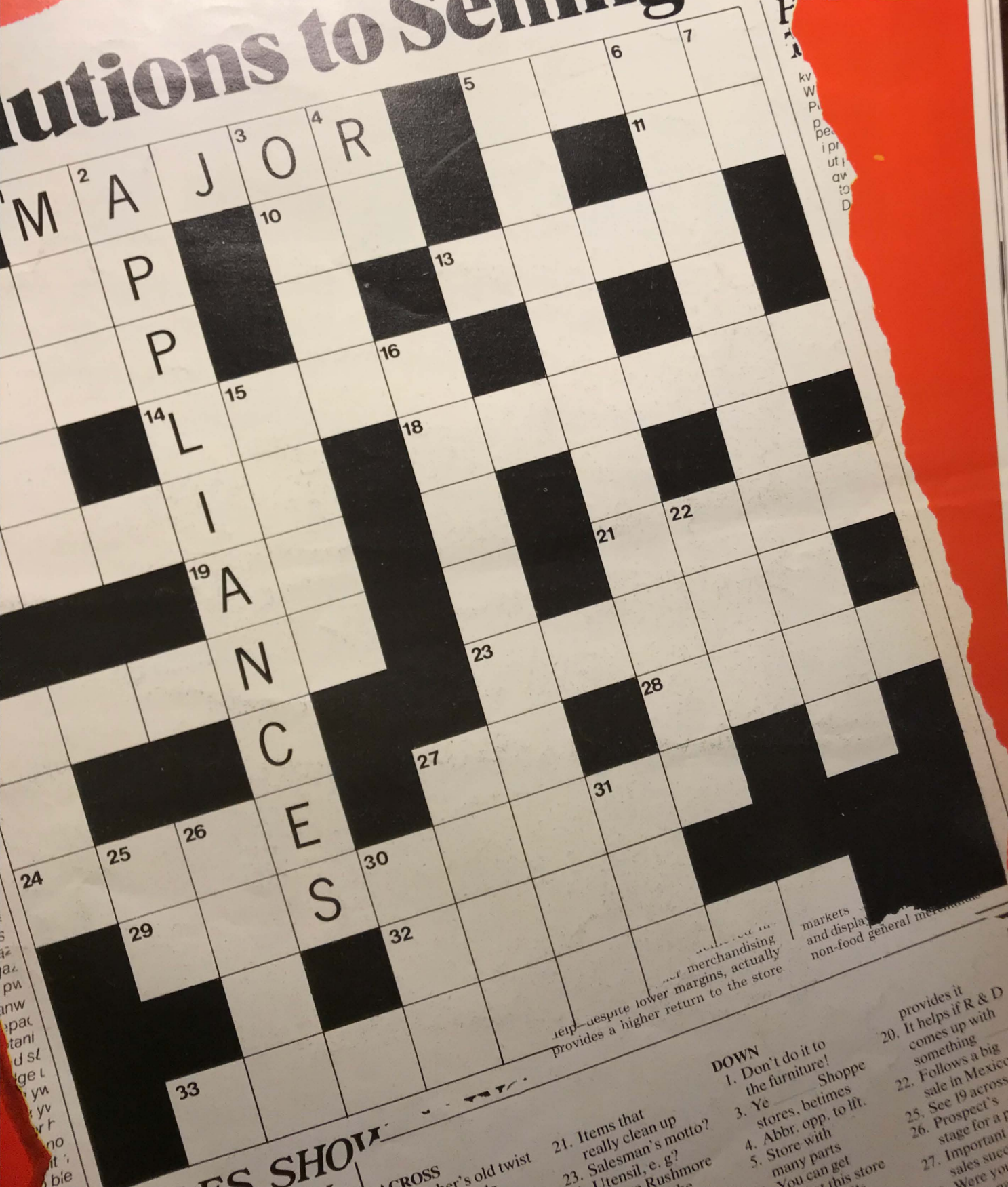
Hockey

Tennis

Merchandising

FOR AN INDUSTRY

Solutions to Selling



ES SHOW

ACROSS
...er's old twist

21. Items that really clean up
23. Salesman's motto?
...utensil, e. g.?
...Rushmore

DOWN
1. Don't do it to the furniture!
3. Ye ... Shoppe
...stores, betimes
4. Abbr. opp. to lift.
5. Store with many parts
You can get ... this store

20. It helps if R & D comes up with something
22. Follows a big sale in Mexico
25. See 19 across
26. Prospect's stage for a pitch
27. Important to sales success
Were you this navy?

...despite lower margins, actually provides a higher return to the store

markets and display non-food general merchandise

...in Home Electronics



Jane Willman

...home show which today's
merchants know they must be
formed. And retailers say con-
sumers, loaded with questions, are
asking increasingly to them to learn
about new products.
With more intensive sales training
programs and innovative merchandis-

With the development of
tape in the Fifties,
it could transcend not
space, but time as well.
Video tape that winning
down could be cheered
after time after time.
Now video tape recording
is going home. We think it
might be the start of
a revolution.

Hang on, here comes home video recording.

How big is home video
to be? If just 1% of all the
olds with a television
own a home video recorder
that would add up to
million recorders and
over half a billion dollars
by the American
market. And the figure could
be higher. A recent
survey by Merchan-
Magazine showed 50% of
consumers were considering
owning home video
recorders, compared with 15%

in a similar study 6 months
previous.

At 3M, we've been ready for Home Video since 1957.

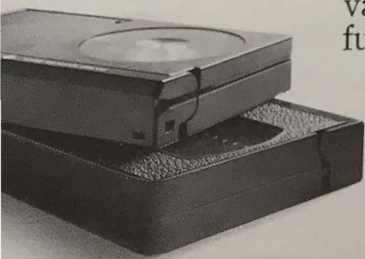
3M has worked on
the development of video tape
technology from the very
beginning. Our tapes are the
choice of professionals
by an overwhelming margin.

Compared with the
hardware manufacturers, there
is a significant, basic difference
in our outlook. We have no
axe to grind as to which home
video format is superior. Our
business—our only business in
the home video field—is tape.

So, all our technological
efforts go into developing
the best video tape for all video
formats.

Believe it. Home video
is here. It's another step on the
journey started by Vladimir
Zworykin over 50 years ago.

When he looked into a
vacuum tube, and saw the
future.



3M
COMPANY

Home Videocassettes

and the pros prefer.

ing techniques and displays, sharp re-
tailers are equipping themselves to
move into a new phase of the home
electronics evolution.

Color television

Color television should perform well
over the next several weeks, according
to merchants, focusing on the ripe re-
placement market.

Heavy promotion will continue,
with many merchandisers featuring
promotionally-priced units imported
from Korea and Taiwan.

At the higher end, electronically-
tuned models, purchased by value-
conscious consumers, are predicted to
maintain a healthy sales pace.

Videotape scene

Retailers expect good movement in
VTR decks during the month, while at
the same time, positioning themselves
according to anticipated additional
price cuts and increased unit avail-
ability.

Projection tv

High-performance three-tube pro-
jection tv systems demonstrated by
major manufacturers at last month's
Las Vegas CES piqued retailer inter-
est, but most still view mass market
large-screen as something off "in the
future."

Many believe consumers are resist-
ant to investing big dollars in a prod-
uct they term as "fringy" as projection
television. ("Just for the elite," re-
marked one dealer.)

With price still at issue, a number of
retailers attending the winter show
said they felt frustrated to learn that
pricing on some new systems displayed
was unavailable.

TV games

Many merchandisers continue to be
wary when it comes to tv games: They
were apprehensive in January that
new game introductions in June will
make current models "old hat."

To bring more order to the market,
some retailers, for example, are calling
for standardization of programmable
cartridge games.

Mid and low-end dedicated chip
units have been, at least tem-
porarily, shunned by a num-
ber of merchandisers who, citing cut-
throat price competition, say they will
"leave them to the mass merchants."

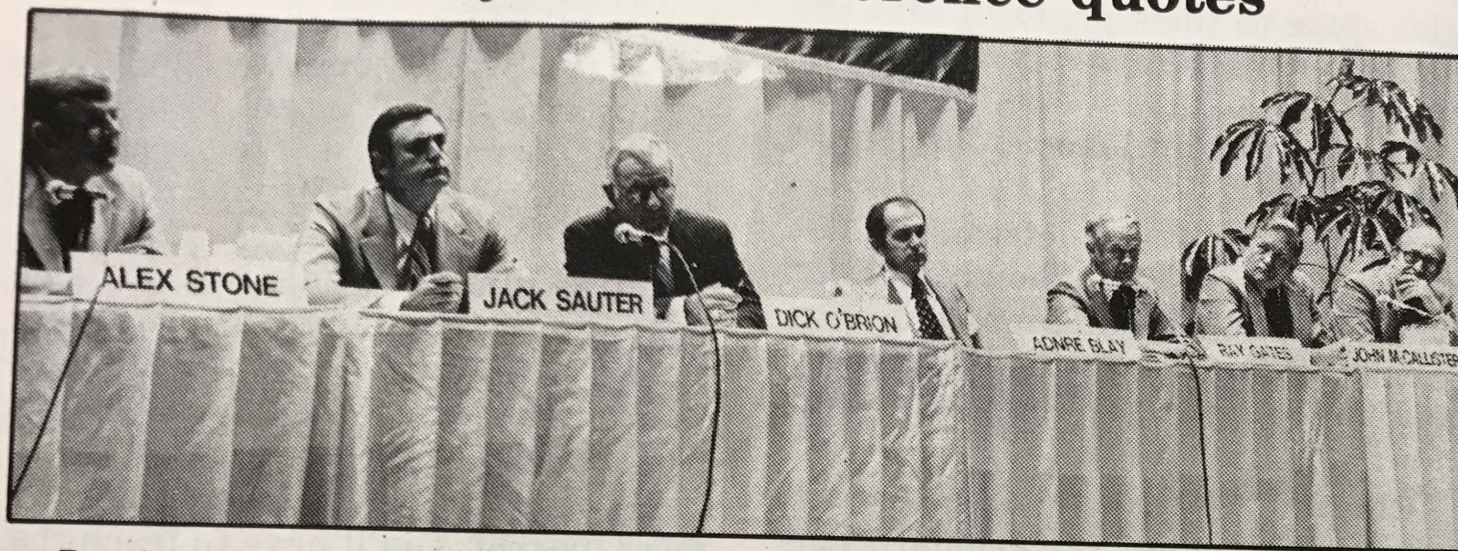
Still other dealers, while interested
in programmable units, call "ball-and-
paddle" games a nuisance, because
they attract youngsters who some-
times cause heavy damage.

Although numerous retailers, how-
ever, plan further involvement in tv
games, it was clear, at the show, that
many intend to wait until June. So, for
a number of merchants eyeing games
exhibits, it was: "no thanks—just look-
ing."

ally spend more time in their cars. But generally there's more spending now for entertainment and that's showing

ribly important, particularly where consumers are left to make their own selections. The consumer is going to be confused with so many new features

Video systems conference quotes



Participants in the CES Video Systems Conference included (l. to r.) Alex Stone, Quasar Electronics Co.; Jack Sauter, RCA Corp.; Dick O'Brien, JVC America Inc.; Andre Blay, Magnetic Video Corp.; Ray Gates, Panasonic Co.; John McCallister, Zenith Radio Corp. and Ed Addis, Sony Corp. of America.

VIDEO SYSTEMS—Manufacturer panelists: Alex Stone, Quasar Electronics Co.; Jack Sauter, RCA; Dick O'Brien, JVC America, Inc.; Andre Blay, Magnetic Video Corp.; John McCallister, Zenith Radio Corp.; Ed Addis, Sony Corp. of America, and Ray Gates, Panasonic.

Stone: "We are in a serious VCR shortage situation. It will take until

about April before we catch up. . . VCR represents an extraordinary profit opportunity for manufacturers and retailers."

Sauter: (1977 was) "a mad dash to get the merchandise to the retail level. Our experience was even greater than anticipated—a tremendous business. . . We hope to be able to supply

Continued on page 42



Magic Chef

We put micro and with elect prices of each together. Som colored glass self cleaning both. And a lo Magic Chef o can give th wants.



**MAG
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Personal Computers conference quotes

PERSONAL COMPUTERS—Panelists: Chuck Peddle, Commodore Business Machines Inc.; Mike Markkula, Apple Computer Inc.; David Chung, VideoBrain Computer Co.; John Roach, Radio Shack; Robert Wickham, Vantage Research Inc., and Sy Lipper, APF Electronics Inc.

Lipper: "I've been very pleasantly surprised at the interest in personal computers at CES. The attitude of most retailers seems to be not 'Should I get into the business?'"

Peddle: "We'll be making dealer programs available this year, but we think they should be in the business now. Merchants give shelf space to products that move so I assume they'll give space to these products. But the computer will be only a small part of the sale of a total system. We're actually starting a whole new appliance business."

Wickham: "We've determined that there are about two million people out there with the combination of income, inclination and education to purchase and use a personal computer right now."

Chung: "Sales have to be through mass merchandisers. Personal computers have got to be attractive to consumers. They have to be able to sell themselves. They have to be easy to use. We have to develop good point-of-sale aids and lots of software."

Roach: "We've analyzed where our sales are coming from and they're coming from every aspect—commercial, institutional as well as the hobbyist and people who buy a computer to use at home."

Markkula: "Most people buying today already have some knowledge of computers. . . . I don't agree that you can easily put out a bunch of special

application programs and expect everyone to be happy with them. Programming is a very individual thing; most programs are designed to fit a personal requirement. That's why they're *persons* computers."

Chung: "Will the consumer have to learn a (computer) language? Sure, that would be nice. Is the average consumer an expert in developing a stock analysis (computer) program? Chances are, he's not. If anyone writes a computer program in the first place. And that's not likely."

Peddle: "I disagree. The specialized software that will make this product mean something to each little market segment is going to occur because some person in that segment will know how to take a program that already exists in the BASIC computer language, modify it so that it means something to that particular market segment, bring it to us, and we'll make it generally available."

Markkula: "The only way you can learn about computers is by interacting with them and programming them and seeing what actually happens when you hit the return button."

Lipper: "If you're looking for the mass market, you'll have to reach the mass market at its level. You can't expect the mass market to come to you at your level."

Roach: "The data processing community has proved that there are a lot of people who want to customize applications software to do specific jobs. And there's a lot of precedent for pre-programmed off-the-shelf material as we've seen from the upper end of the video games market."

Wickham: "One of the beautiful things about this market is that they'll all win, because there's room for all of these approaches."

Happenings At the CES

Retailers react to personal computers with enthusiasm mixed with confusion

LAS VEGAS—"Home computers will be a big thing this year," says Tony Himenez of Ken Crane's Magna-City in Torrance, CA. "Come fall, I think we will all have to be in it."

That's true, if WCES was any indication. This was the first Consumer Electronics Show in which personal computers were displayed that were

ready for delivery. And it was the first CES in which personal computing was given its own conference—at the expense of calculators and digital watches. Exhibitors' booths were packed with retailers every day, and the Sunday conference outdrew the previous day's meeting on autosound.

Dealer comments throughout the

show indicated that there's still a great deal of confusion about the differences between high-end programmable tv games and early entry personal computers. Indeed, many retailers discern little, if any, difference, at least at first glance. But they obviously see the potential.

"Every year this business has a new trend," says Himenez, "and soon we will start in with computers. The so-called television store will be a little of

everything—computers, VCR's—everything. The home computer is going to be a big, big thing."

"Home computers (at CES) excited me," says Tom Thomas, Certified Electronics, Pueblo, CO.

Another retailer said: "It's a product we must get involved with, but how saleable is it at this time? I don't know. I think that in our situation it may be more a case of simply showcasing product until the price point comes down to reasonable levels and a lot of people can afford it."

"The mini-computers," says Morris Gliklich of Regal Magna-Mart, Linden, NJ, "were interesting. They are at the same stage that VTR and games were two years ago. They create interesting marketing possibilities."

A spokesman for Meier & Frank, a Portland, OR, department store, said: "In five years everyone will have a small home computer of some sort."

One of the hotter topics among personal "computerphiles" during CES was whether it was too much to expect the average consumer to learn to program a home computer, or should a constant stream of pre-packaged programs be made available to fit virtually every consumer need.

"My best guess," one dealer said, responding to the question, "is that it should be pre-programmed. Programmables are for the hobbyist. I might be wrong; maybe they'll come out with units that will be relatively easy to program, but I deal with a lot of intelligent people who can't hook up a stereo system. How are they going to program a computer?"

"Expensive Cars choose Clarion"

Expensive cars have a way of demanding the very best accessories from their owners. That's why the Clarion Mike System CB™ is so popular with that crowd... it's the very best. And, even though it's priced at the high end of the market, it's an easy and profitable sale when you know the facts.

Some high end cars are a little embarrassed to have a CB at all. You know... the image thing. Well, the modular design of the Clarion system takes care of that. It works with the sound system already in your customer's car. All the operating controls are on the mike, and the anti-theft remote transceiver mounts out of sight. When the system's not in use, the mike easily disconnects for storage. And, with our fully retractable electric AM/FM/CB (tri-band) antenna, the system turns invisible. So, your customer gets all the benefits of a CB without having to worry about it cramping his style.



So, if you're...

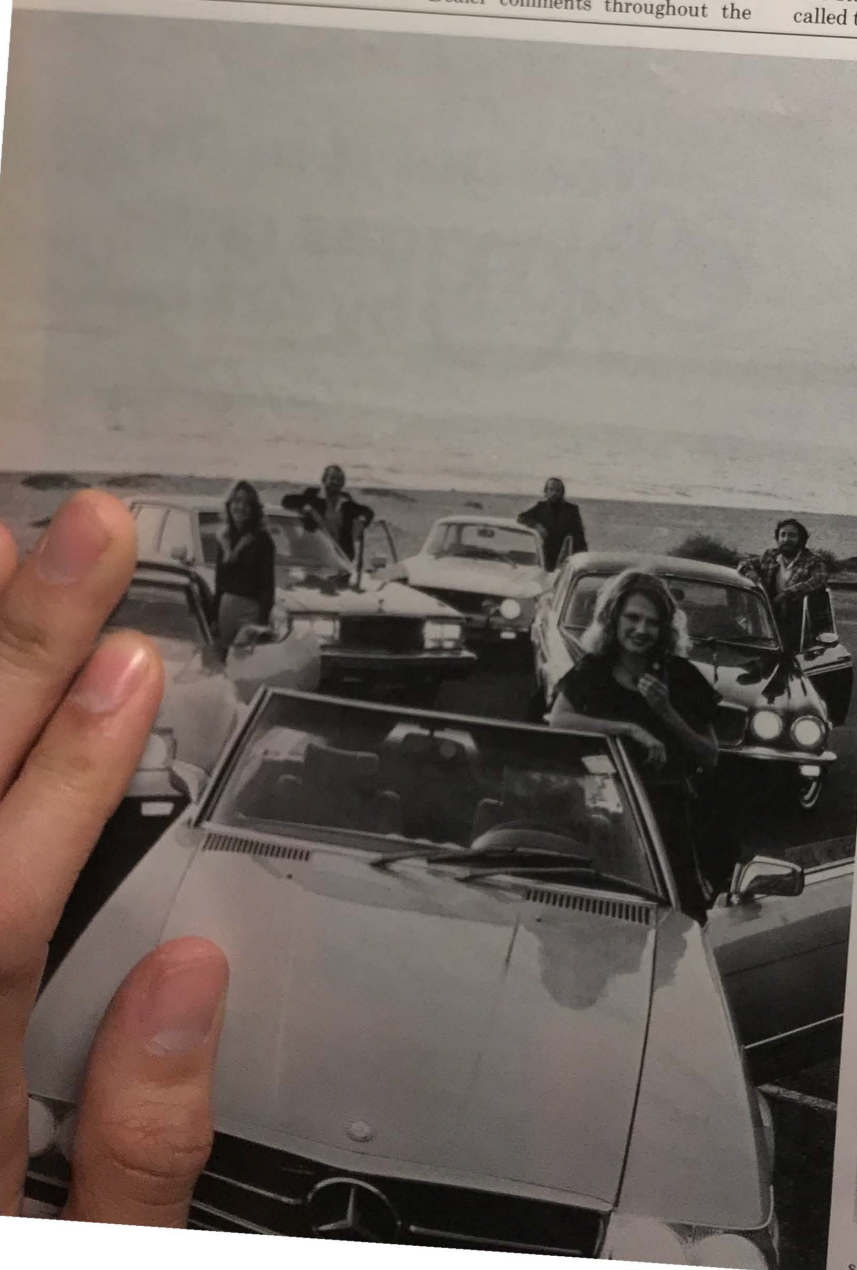
Sony forms tape div., Ampex expanding as blank market booms

LAS VEGAS—Sony Corp. of America has formed a new magnetic tape division to market the company's complete line of blank tape products.

At the same time, Ampex Corp. said it plans a \$5 million expansion of its Opelika, AL magnetic tape manufacturing facility.

The blank tape, in cassette, Elcaset and microcassette formats, will be manufactured in the future at Sony's \$50 million Dothan, AL plant.

Ampex also unveiled a new line of





STATISTICAL ISSUE and MARKETING REPORT
TX 49-35
formerly Merchandising Week
A BILLBOARD PUBLICATION
\$20. MARCH 1978
Merchandising
FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

All of which is reflective of the accelerated life cycle of this infant product, which confident retailers say will, within five years, represent a bigger and better business than color tv.

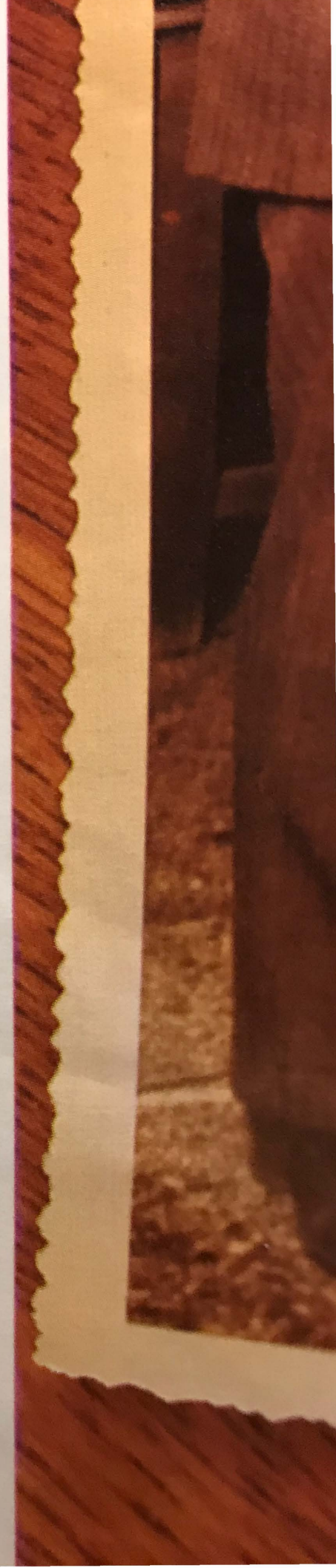
* * * *

Merchants refuse to let down their guard when it comes to tv games, worried about falling prices and new units obsoleting current models.

Although a quiet March is expected, as is the entire period until Father's Day, some retailers plan to promote games this spring. Their aim is to have consumers associate the product with their stores when they are in fact ready to buy.

Most retailers agree that games are basically a Christmas-oriented product, although some, however, noting disappointment in the category's performance last Yule, have been all but totally turned off.

Dumps of low-end ball-and-paddle units are expected during the month, according to sources.



...in Home Electronics

Traditionally showing a dip in the retail sales curve, March should be a time for heavy color tv promotion at the beginning of the month as brown goods merchants attempt to offset the additional effects of an early Easter.

The holiday's March date is expected to make even tougher that period in which consumers are struggling to work their way out of a maze of income tax returns and last year's Christmas bills. Merchants launching early promotions reason that any expendable funds available close to Easter, March 26, will be invested in ready-to-wear.

So their tack is attack, and, like the month, home electronics retailers should be coming on as strong as lions. Though any help from creative manufacturers and distributors would be welcomed, they say.

VTR Scene

Retailers anticipate manufacturer moves this month, including increased co-op advertising, to generate activity in the VTR market, which, predictably, has slowed since last Christmas.

While they view VTR as a potentially solid industry, merchants say that in order to reach the masses, prices must drop. To this end, retailers are keen on upcoming lower-end models expected to be introduced this spring.

Looking further ahead, however, merchandisers predict a "dog fight" come fall, when VTR manufacturing capability is expected to exceed demand, causing severe pressure to move units. VTR, anticipated to be a footballed item at that point, could be further complicated by so-called off-brand suppliers expected to enter the arena with decks priced even lower than name-branded merchandise.

All of which is reflective of the accelerated life cycle of this infant product, which confident retailers say will, within five years, represent a bigger and better business than color tv.

* * * *

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As the CB market makes its way back, its older brother, amateur radio, appears to be making great strides. Many consumers—those disenchanted with CB as well as those "hooked" on communicating—have latched onto ham. Audio specialty stores marketing the rigs report healthy sales, and other retailers—department stores, for example—are giving careful consideration to entering the field.

Vladimir Zworykin look what you star



on?

With the exception of the 9-in. and under and 12-in. sizes, all b&w screen sizes took a downward turn in 1977, including the 18- and 19-in. size, which dropped 12%, from 1,091,000 units to 965,000.

The trend to an all-solid state tv market accounts for a 14% increase in sales of these b&w models, 5,550,000 units vs. 4,884,000, and the concurrent 63% decrease in hybrid units, 114,000 sets compared to 1976's 320,000.

Tv games

Tv games recorded good growth in 1977, up 46%, with sales of 5,175,000 units compared to 3,550,000 in 1976.

Of these, lower-priced dedicated chip "ball-and-paddle" models accounted for most of the volume, amounting to 5 million units vs. 3,450,000 in the previous year, an increase of 45%.

Although the higher priced, micro-processor-based programmable game market continued to be plagued by availability problems, these models racked up a 175,000-unit year, 75% above 1976's 100,000 units.

In home radio, total sales surged 32%, moving ahead from 31,656,000 units to 41,800,000.

Clock, multiband radios

AM-FM models—with digital clock radios and multibands the outstanding performers—represented the bulk of this volume, totaling 30,957,000 units over 1976's 20,091,000, for a 54% increase. Sales of portables, in-

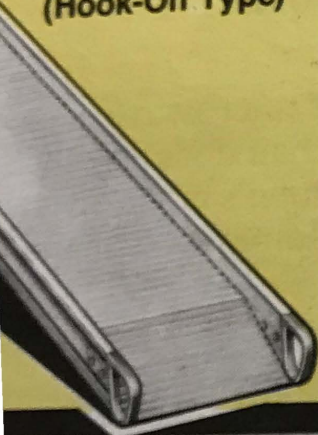
margins

sign

High...
protect against runoff.
3' to 16'. Two widths,
capacities to 1,700 lbs.

HE

MAGLINER WALKRAMP (Hook-On Type)



CK RAMP

mps are widely
d general truck
atures a self-
in the center,
a on each side
ng. Lengths, 8'
33". Capacities

poor now...
ment factor: "There are four
million bottom mount owners out
there."

Compactors like dishwashers

Bob Paul, general manager, trash compactors, saw his product category paralleling dishwashers in growth rate. It took dishwashers 20 years, from 1945 to 1964, to reach one million

RCA halts games output, cites poor Yule

NEW YORK—Calling 1977 "a generally disappointing Christmas season for programmable video games," RCA Corp. said it is reviewing its position in the business and has halted game production at its plant in Swannanoa, NC.

The firm's programmable is a black-and-white unit introduced last year at a retail of \$150. The price has since been cut as low as \$60 in some cities.

Cartridges for the game continue to be manufactured at Swannanoa, where about 120 employees have been laid off.

Clair (Joe) Searfoss, who had been marketing manager, video products, RCA's Distributor & Special Products Division, has left the company.

RCA said that design and development work for future video games will continue "at a reduced level."

Clarion forms new division

LAWNDALE, CA—Clarion Corp. of America is forming a new division to market autosound products to automobile dealers.

James L. LeVitt

now growing at about
conventional washe

For Whirlpool's se
work, the compa
bonus incentive pl
who make warrant
hours or at the tir
customer.

programs at Clarion
division.

Schedivy says th
ice both domestic a
ers. The program
Clarion PE-703,
AM/FM/MPX 8-
377 unit with 10 st

JVC plans portable V

MASPETH, NY
plans to premiere a
recorder and colo
or June of this ye

The two-hour
roduced in Japan
pan at a retail pr
VTR and camera
be slightly higher

The recorder r
lbs.; the camera

Berkenka 1978 AHA

CHICAGO—
ecutive vice pre
ning, Roper C
chairman of th
Home Applian
ceeding Charles
president, Kit
bert Corn

Happenings

Home computer in Wards book

CHICAGO—Montgomery Ward's Spring/Summer catalog highlights a "tv home computer system," called "Cybervision 2001," with entertainment, educational and home service applications. In full color with audio and visual effects, the system, including cassette recorder, two hand-control key pads, plus an introductory cartridge, is priced at \$399.

Ward's is offering four initial "Cybersette" (cartridge) series: "Game," "Education," "Home" (which the company says can aid in preparing income tax returns and balancing checking accounts) and "Story," a collection of favorite fairy tales.

The chain states it is "developing hundreds of 'Cybersettes' in many categories and urges consumers to join its "'Cybersette' Club and receive advance data on all new 'Cybersettes'."

Ward's also shows a personal pager at \$299.95; Panasonic's 4-hour VTR, \$974; and tags its leader model 19-in. color tv set at \$294.

In other mid-season catalogs, Sears offers, as part of its Tele-Games series, "Video Arcade," at \$178.95; cartridges are \$19.95 each. Lowest priced 19-in. color tv set appearing has a retail price

of \$309.95. In 25-in. color c Sears features an electronically remote control model, \$77 choice of Contemporary-, Colonial- or Spanish-styled cabinetry.

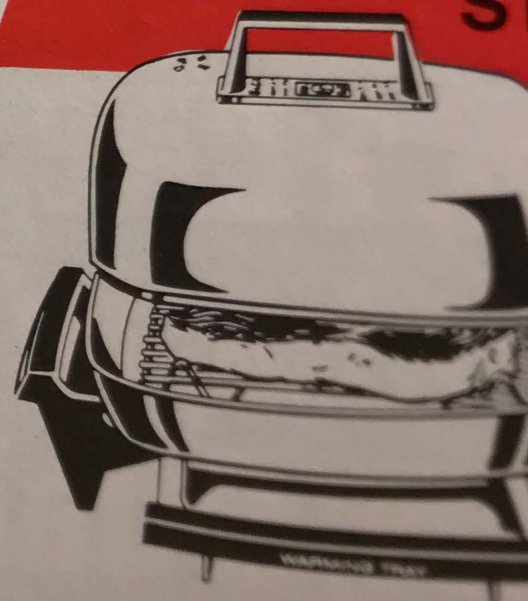
Alden's book spotlights a 19-hour VTR at \$1,000 and a 19-in. XL-100 color tv receiver at \$449.95. Also featured is a Bearcat's programmable video game console, at \$185.95, as does a Bearcat programmable stereo system, at \$349.95.

All three chains offer "cut-rate" citizens band radios, with showing one mobile unit reduced from its fall price to \$89.99.

UL changing home power cord standard

CHICAGO—Underwriters Laboratories Inc. will require home appliance power supply cords to be constructed in compliance with new safety requirements to minimize the risk of fire and electric shock.

WHERE DISCOUNT STORES



AND THE STAINLESS STEEL DURA-CLIP

Coleco to debut computer in June

NEW YORK—Coleco Industries plans to introduce a home computer at the Consumer Electronics Show in June.

Arnold Greenberg, president, revealed his computer intentions during a meeting here last month in which Coleco introduced its 1978 game line (see Product Picture in this issue).

Greenberg indicated Coleco sold 1.75 million video game units in 1977 at a value of \$60 million. This was an increase of 75% from its video game sales in 1976.

Coleco, a major toy manufacturer, entered the electronic game business in 1976 employing the mass toy-marketing approach of large volume at lowest possible pricing. Since that period, according to Greenberg, it has played a major role in the low to medium price category.

The introduction of the hand-held game line at a starting price point of about \$10 is expected to create some problems in terms of which departments will market them within the store. The pricing suggests toys but the function and step-up potential suggest electronics.

Greenberg noted the jury was still

out on who, how and where hand-helds will be marketed.

He also indicated he expected some game dumping in the early part of the year as shakeouts occur because of inability to develop margins at constantly lower competitive pricing.

In terms of the future, Coleco's president sees the current functions and uses of chips in games as being just the tip of the iceberg as lower chip and microprocessor costs lead to continually new game and computer product innovations.

Black Man's razor now sold nationally

BRIDGEPORT, CT.—Sperry Rem-

MONEY MOVIE MOVIE MONEY

Have We Got A Deal

... a deal on home video movies, so you can make money on the biggest new market to hit the industry in years!

We're selecting dealers now. Talk to us about the Video Warehouse program. We've got:

- Movies, lots of them, never before seen on television.

• Cass you each

And her movies, with our a toll-free Warehouse deliver, 9

Product Picture Electronics

Coleco



Coleco's electronic quarterback

NEW YORK—Coleco Industries has introduced three video and five hand-held games as part of its 1978 marketing plan.

Prices range from \$10 to \$20 for the three hand-helds and from \$15 to \$89 for the Telstar video games.

The new video games include:

A programmable (approximate retail \$69-\$89) using drop-in cartridges. It features a "robot node," on-screen scoring, sound effects, variable skill control, ball speed control and joy stick controls. The first cartridge has 114 game combinations for 10 sports. Additional cartridges will be made available to sell in the \$15 to \$20 range per cartridge.

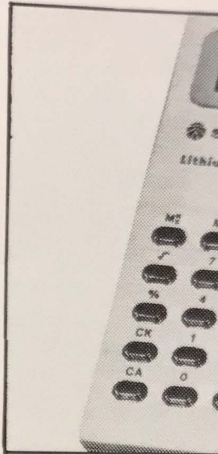
A marksman game (approximate retail \$25-\$30) featuring two pistol games (accompanied by a marksman rifle and four sport games); a Colortron unit (approximate retail \$15-\$25) fea-

tures four sports games. The hand-held games include:

"Quiz Whiz," a cartridge question-and-answer game (approximate retail \$15-\$20); "Electronic Quarterback," with microprocessor-controlled defense and owner-controlled offense with sound effects (approximate retail \$15-\$20); "Amaze-a-tron," a microprocessor-controlled maze game (approximate retail \$20-\$25) and "Zap," with an LED missile heading towards two goals (approximate retail \$10-\$15).

Coleco Industries Inc., 200 Fifth Ave., M, New York, NY 10010.

Sanyo El



Sanyo m

THE ALTEC TANGERINE. IT GIV

Pace

width.

The three speed automatic record changer works off a four-pole motor and has cue control, stylus pressure adjustment and anti-skate control. The tape deck offers dual level controls and dual level meters for recording use plus dual microphone inputs. The system retails at \$379.95.

*Magnavox, 1700 Magnavox Way,
M, Fort Wayne, IN 46804.*

Atari

SUNNYVALE, CA—Atari has introduced a new programmable tv game, "The Game Brain," featuring seven "video pinball" variations and five additional cartridges, including "Ultra Pong" and "Video Music."

The full-color model C-700, which incorporates special circuits for picture tube protection, is priced between \$100 and \$114.95.

June availability is expected.

*Atari Inc., 1265 Borregas Dr., M,
Sunnyvale, CA 94086.*

MARCH, 1978

Franchising Week

A BILLBOARD PUBLICATION

APRIL 1978 \$10.

Franchising

INDUSTRY WITH MORE THAN TODAY ON ITS MIND

NS UMER

T TU DE S

when necessary
helpful.

Phone _____

LINES

products carried. If a video business,
models, for how long, and why.

tions?

all locations?

campaign?

SERVICE

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you perform authorized warranty

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1000A (7-foot)

I to:

nager
ridge, Mass. 02139.

are keen on the burgeoning market in mini-screen models. And as the weather warms, promotions of 5-, 7- and 9-in. AC-DC battery units will become increasingly visible.

Videotape

The current slowdown in VTR sales could show signs of reversal this month, as retailers look to some manufacturers' blank and pre-recorded tape bonus promotions to stir up activity.

Merchants are also looking forward to spring introduction of decks with programming capability to automatically switch channels at a pre-determined time. According to some retailers, current VTRs' inability to consecutively record programs on different channels while they are away from home, has been VTR owners' biggest complaint.

Projection TV

The availability of pre-recorded material, however, as an adjunct to VTR, is triggering more interest in projection tv systems. Consumers bored with current tv fare who previously saw little value in giant screen, for example, are now being turned on by the idea of a "home movie theatre."

Merchants believe the projection field is becoming increasingly important now that major companies are entering the market with high-performance systems.

And retailers reporting weak sales in single-lens systems say consumers will be more willing to invest big dollars in sharp, bright one-piece units from brand-name firms. Further, Advent, first on the market with a 3-tube system, is expected to premiere a new version this spring.

Video Games

New programmable video game cartridges are moving off retailers shelves, although recent hardware sales have been sluggish. Not much change is expected until Father's Day, when merchants plan a big promotional push.

Many independent tv-appliance stores, first retailers to market video games, are becoming exceedingly disillusioned with the category because of severe price competition from discounters and catalog showrooms. Programmables, as well as dedicated chip units, they predict, will move increasingly out of the electronics arena and into the toy department.

CONSUMER ATTITUDES

played woman in Daly City, Calif. "I still think there's too much chance of trouble."

The microwave oven, according to this segment of respondents, was called "dangerous" and "a health hazard" that would lead to infertility, blindness and unknown long-term consequences.

"Microwave ovens can be very dangerous. A person can get burned just being near them. They're not safe yet," said a retired Pittsburgh, Pa., widower.

Delcared a Chicago mother: "If it can cook that fast, I believe there could be some harm in eating the food."

MICROWAVE OVENS

Do you own a microwave oven? %
Yes 19
No 81

Have you considered the purchase of a microwave oven? %
Yes 70
No 30

If yes, why? %
Defrosts frozen foods faster 14
Cooks faster 73
Less energy consumption 11
Replaces old range 2

Where did you learn about microwave ovens? %
Newspaper and/or magazine articles 20
Manufacturer ads and/or commercials 36
Local retail advertising 10
Store displays, demonstrations 9
Friends and/or relatives 25

Are you more interested in (a) a countertop microwave oven or (b) a single-cavity combo of microwave oven and conventional range or (c) a double-oven combination microwave and gas or electric range. %
A 78
B 7
C 15

Where would you buy a microwave oven? %
Furniture store 3
Dept. store 25
Discount store 18
TV/Appliance store 22
Catalog showroom 4
Hardware/Housewares 4
Home improvement center 4
Sears, Penney's, Ward's, etc. 20

What price would you expect to pay for a countertop microwave oven? %
\$250-\$349 35
\$350-\$449 43
over \$450 22

What price would you expect to pay for either a single cavity combo or a double-oven combo unit? %
\$700-\$899 42
\$900-\$1,099 33
\$1,100-\$1,299 13
\$1,300-\$1,399 5
over \$1,400 7



I really don't understand how it all works."

A professional woman in Honolulu, Hawaii, maintained that microwave ovens "burn out the gonads of the user."

And from a clerical worker in San Francisco: "Did you hear about the woman who cooked her stomach? She was a microwave demonstrator, and opening and closing the oven all day caused radiation to bake her stomach. She had pains for a long time."

Several respondents believed microwave ovens would disrupt the function of pacemakers worn by those in contact with or near the units.

A number of consumers said they had previously considered buying a microwave but became frightened after reading articles, books, and "learning from Ralph Nader" that they were "unsafe."

"I wanted a microwave until I heard all the negative reports that the waves

weren't good for you. Until then, I thought they were great," said a homemaker from Mt. Vernon, Wash. "Now I figure, why have another hazard?"

Prefer old-fashioned cooking

Other consumers said they simply preferred "old-fashioned" cooking methods, did not want to be bothered with learning to "re-cook" or found microwave operation "too confusing." Having to use the correct utensils was also "a pain," they said, and a number of respondents called microwaves "frivolous" and an "unnecessary fancy gadget."

Several consumers believed microwave ovens "destroy the texture and flavor of food." Some said micro-cooking "dries out" food, but others thought it "makes everything soggy."

"I have no desire to eat warmed-over meat that doesn't taste right," commented a married St. Louis professional man, adding, "the microwave doesn't cook properly."



on tv games

Video games elicited even greater consumer enthusiasm than had been indicated in the prior survey, and a full 84% of respondents said they were considering buying these tv set attachments. In October, 62% of consumers favored the purchase of a tv game.

Moreover, a whopping 80% said they would choose a programmable type over a dedicated chip model. This compares with the prior study in which 69% expressed interest in programmables.

"I plan to purchase a video game soon," stated a young bachelor from Chicago, adding, "tv can sometimes be a bore."

Consumers liked video games because they were "fun" and a "neat" way to entertain guests. They also thought them an effective means to "test coordination skills" and, as above, an enjoyable way to use the tv receiver when shows become "boring."

Challenge of programmables
Programmable cartridge games were preferred, consumers said, because they offered "variety and challenge." The ability to buy new cartridges toward building a games library was another strong drawing point.

In fact, some respondents who had previously bought dedicated chip models said they wished they had waited for programmables to become available. Some said they now plan to buy a programmable, as well.

Commented a New York City detective and father of two: "I'd like a programmable for its diversity and because it's suitable for different age brackets. Some games may appeal more to the kids, others to my wife and me."

"A programmable model allows you much greater versatility," noted a

young woman in Galveston, Tex. "And if I bought a tv game, I'd want to use it as much as possible."

Not enough explanation
Several consumers noted that although their interest had been piqued by programmable games advertising, they complained of a lack of information to fully explain the games' capabilities.

Stated a professional man in Ardmore, Pa.: "The ads I saw for video games were not awfully explicit or informative. I'm the type of guy who this could be marketed to; I'd buy if I knew what it was about. I think retailers and manufacturers better put on campaigns that tell about new products rather than devote so much of their ads to price specials of items most of us already have."

According to the survey, the majority of consumers indicated they would expect to pay less for a dedicated chip game than did most of the respondents to the October study. The greatest number of consumers, 34%, said they would be prepared to spend \$30-\$59 for a game of this type. Six months ago, a plurality of 43% of consumers replied they would expect a dedicated chip model to run in the higher \$60-\$99 range.

The new survey also shows that 27% of consumers thought prices to be under \$30; in October, only 14% named this low pricing level.

Price expectations lower
Programmable prices were also believed to be lower when compared with the results of the fall study. Over half the consumers expected to pay \$60-\$149 for a microprocessor-based model, with 29% anticipating to spend a low \$60-\$99, as opposed to 23% of consumers last fall.

Eighteen percent, compared with 24% in the previous survey, said their pricing expectations were at the \$150-\$199 upper end. And only 11% would

plan to spend \$200 and over on a programmable vs. 14% six months ago.

The current survey also pointed out that a high level of consumers, 20%, expected to pay the same prices, \$60-\$99, for a programmable unit as they would for a dedicated chip model.

Fear harm to sets

One of the main concerns of those consumers turned off on tv games was the belief that their use would injure the tv screen. Comments like: "Leaves an after-image on the screen," "leaves marks on the tube," "hard on the screen," "burns your tv set," "ruins set with lines," were often repeated.

Other respondents were anxious over "tv games starting fires" or the attachments "burning" users. Some people were confused by conflicting media reports on the screen damage a game might inflict.

"I wouldn't have one," said a Cleveland, Ohio, clerk. "I heard games shorten the life of the tv tube."

"TV games can mess up your tv set with dark lines. If I were to get a game, I'd want to buy a second tv set, but I don't have the money," remarked a Chicago laborer and mother.

Another common reason for consumers' lack of interest in games was the attitude that there were "better things to do with (their) time," in addition to a preference for physically en-

TV GAMES

Do you own a tv game? %
Yes 22
No 78

Have you considered the purchase of a tv game? %
Yes 84
No 16

What price would you expect to pay for a unit that comes with a fixed number of games to which no new games can be added? %
Under \$30 27
\$30-\$59 34
\$60-\$99 29
\$100-\$149 8
\$150-\$199 1
\$200 and over 1

What price would you expect to pay for a programmable type for which you can buy separate game cartridges to select and build a games library? %
Under \$30 4
\$30-\$59 9
\$60-\$99 29
\$100-\$149 29
\$150-\$199 18
\$200 and over 11

Which type are you interested in buying? %
Unit with fixed number of games 20
Programmable unit 80

gaging in the outdoor sports depicted on the screen.

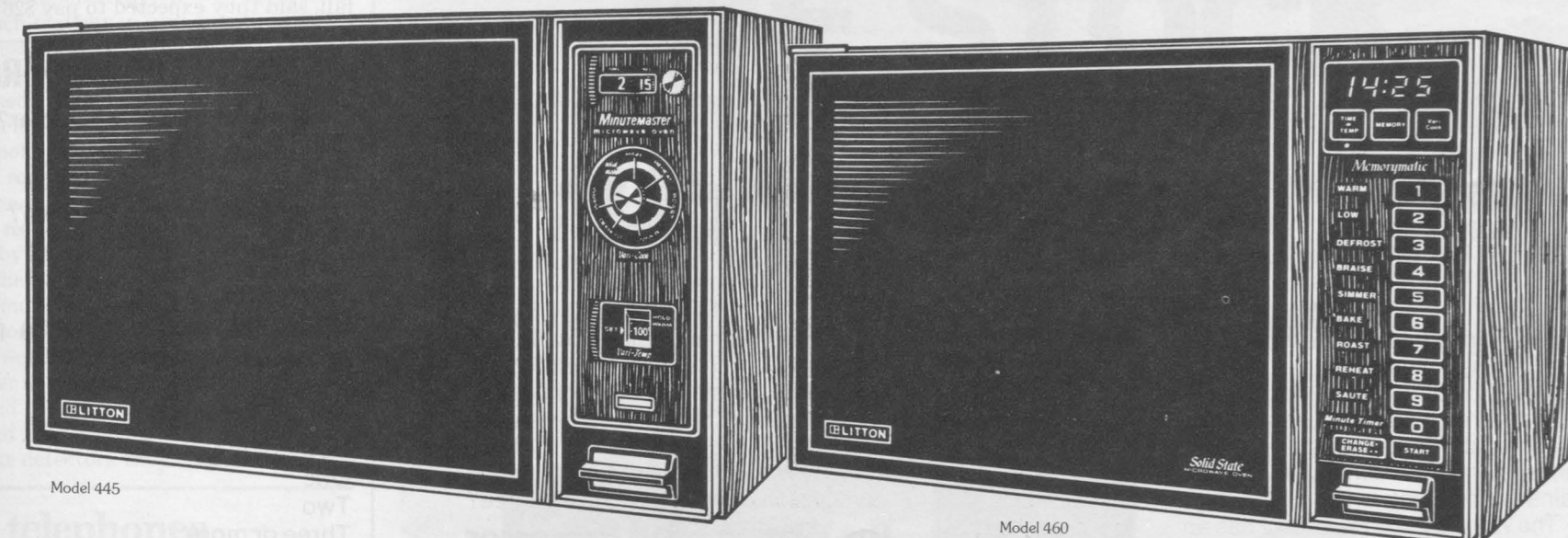
TV games were called "idiotic," "silly," "senseless," and "a marketing rip-off." They were also scored as "gimmicks" that encourage excessive television orientation in children.

Some older or childless respondents said video games were "only for kids."

"We're too old to play games," said a Pensacola, Fla., homemaker. "When my husband gets home from work, all he wants to do is watch tv and go to bed."

Other consumers who had purchased games cited disappointment or

Litton Mother's Day Factory Authorized SALE!



Buy in and Tie in to Litton's biggest spring microwave selling event ever.

SALE.

Now Litton introduces its first Factory Authorized Sale featuring its full-sized, full-featured models 460 and 445 microwave ovens at special buy-in prices to you. We're going to make this your biggest spring Litton microwave oven selling event ever. And we're backing you up with one of the most powerful microwave support programs to hit the appliance business. And it's just in time for Mother's Day.



SUPPORT TO SELL.

It all starts April 24 with a hard-hitting total national advertising and

merchandising program and will continue right through May 27th.

- Network television on CBS and NBC
- Network radio commercials—four networks, 237—30 second spots
- Full-color sale ads in *Newsweek* and *Time*
- Full-color sale ads in 484 *Sunday newspapers* nation-wide, in *Parade*, *Family Weekly* and more
- Retail tie-in advertising
- Traffic-building point-of-sale material
- Complete factory authorized sale merchandising kit
- Microwave cooking schools
- Participating dealer referral via 800 toll-free line

Litton... changing the way America Cooks.

And that's not all...during this event we are also offering a special buy-in on our 14 piece hospitality cookware set and 6 piece microwave ovenware set.

BUY IN AND TIE IN.

So buy in and tie in now to the biggest microwave spring selling event yet. It's happening just in time for Mother's Day, only at participating Litton dealers. Your Litton sales representative or independent distributor can tell you more about selling the full line of Litton microwave cooking products and our first Factory Authorized Sale.

For more information call 800-328-7777 toll-free. In Minnesota call 612-553-2354.

LITTON
Microwave Cooking

1405 Xenium Lane No. Minneapolis, Minnesota 55440

CONSUMER ATTITUDES

boredom "after the novelty wore off" and tv receiver problems they attributed to game use.

"I have no time for tv games," noted a single professional woman in Merrick, N.Y. "After a few minutes' playing, it loses its thrill."

Said a Pittsburgh homemaker: "The game we bought for almost \$100 was a big deal for a few months. Now you can get them for peanuts. We're turned off the whole idea and feel foolish every time we look at the thing."

"We have one, but don't use it because it screws up the tv," commented a young wife in Pacifica, Calif. "If you leave it on, the other channels don't work well."

on smoke detectors

The smoke detector is increasingly being viewed as a "necessary" product, *Merchandising's* current consumer survey disclosed.

Several factors are responsible for the rising interest in this product, according to consumers: Reports in the media on how smoke detectors have saved lives (particularly one story relating how an unopened detector sounded off under a Christmas tree alerting a family and averting tragedy); fire department education programs, and a credibility factor stemming from new building code installation requirements.

Thirty-four percent of respondents to the survey said they owned smoke detectors, up from 27% in October. Further, of those who had not installed smoke alarms, 44% said they were considering purchase, compared to 39% of consumers last fall.

"It would be criminal not to have one in your home," declared a Trenton, N.J. management man.

Asserted a young woman in St. Petersburg, Fla., "I won't wait for a fire before I'll buy one."

For children's safety

Numerous respondents said their main reason for buying a smoke detector was for the safety of their children. Young adults living with their parents

said they thought detectors important but would—predictably—postpone purchase until they moved into their own homes.

Consumers who owned fireplaces and were concerned about flying sparks and those who lived in large houses, where entire sections were sometimes shut off by closed doors, were particularly keen on smoke detectors.

Generally, these consumers concurred that smoke detectors contributed to a feeling of security.

"We have three and they sure make my mom feel better about sleeping, especially when my dad is out of town," noted a Pikesville, Md. student.

A plurality of 43% of consumers considering purchase said they would expect to buy one unit, although more consumers, compared to the previous study, plan to purchase two or more. The figures stacked up: One unit, 43% vs. 51% in October; two units, 41% vs. 38%; and three or more, 16% vs. 11%.

Lower prices inch up

When price was the question, most consumers (45%), as was the case last fall, said they expected to pay \$26-\$50

SMOKE DETECTORS

Do you own a smoke detector?	%
Yes	34
No	66
If yes, how many do you own?	%
One	43
Two	34
Three or more	23
If no, are you considering purchasing a smoke detector?	%
Yes	44
No	56
How many?	%
One	43
Two	41
Three or more	16
Do you live in a:	%
House	64
Apartment	33
Mobile home	3
Where did you learn about smoke detectors?	%
Newspaper / magazine articles	18
Manufacturer ads or tv commercials	52
Retailer ads and/or commercials	10
Local fire dept. program	9
Friends and/or relatives	11
What price would you expect to pay for a smoke detector?	%
Under \$20	14
\$21-\$25	41
\$26-\$50	45
Where would you purchase a smoke detector?	%
Dept. store	20
Discount store	28
Housewares/Hardware	17
Home improvement center	11
Catalog showroom	3
Sears, Penneys, Wards, etc.	21

for a smoke detector. However, more respondents anticipated spending less than was recorded in the survey six months ago; that is, under \$20 units, 14% of consumers vs. 11%.

And the percentage of consumers planning to buy in discount stores also increased—from 23% to 28%—making that type of retail establishment the place where most respondents said they would acquire a smoke detector. In the prior study, discounters ranked third. The current survey showed fewer consumers choosing department stores or national chains like Sears.

"A smoke detector is smart; I should

start watching for sales," said a Seattle clerk.

But, commented a homemaker in Philadelphia:

"I hope that as smoke detectors drop in price, they don't drop in performance or reliability," adding, "I'd pay \$100 each for good detectors, if necessary."

Over half, 52%, the consumers were informed of this product by way of manufacturer advertising, a 6% increase from October. Friends and relatives spread the word to 11% of respondents, while last fall, word-of-mouth brought awareness to 16% of consumers.

Fireproof apartment dwellers

Although a portion of consumers considered it "a fad" item, most respondents turning up their noses at smoke detectors seemed to be apartment dwellers who believed them appropriate only for private homes. They spoke of the "good exits," fire escapes, and fireproof buildings in which they lived. Others said smoke detectors had been installed in hallways by landlords whose responsibility it was to attend to such matters in any event.

"Just another in the endless parade of seasonal consumer goodies," remarked a young Santa Monica, Calif., bachelor.

Smoke detectors were said to be "too sensitive" by a number of consumers who thought them apt to go off as a result of cooking heat or from a nearby lit cigarette.

Others worried about dependability. "Smoke detectors are a good deal, but your batteries could wear out and you wouldn't know it," said a homemaker and mother of two.

And finally, several respondents stated that their dogs were the best smoke detectors they could have.

on telephones

The FCC's decision opening the door to consumers and businesses purchasing telephones provoked considerable controversy among respondents, as it has for industry, but in a different way.

Merchandising's study showed 43% of consumers open to the idea of purchasing their own phones. While many spoke of comparative cost factors and versatile decor, the notion of owning a phone became a highly emotionally charged issue to numerous consumers deeply opposed to the virtual monopoly of the Bell System, controlling over 79% of the nation's telephones. Legal phone ownership, this segment maintained, would mean "revenge" on Ma Bell.

"I don't want to pay one cent more to the Bell Co. than I have to—blood-suckers!" declared a young Philadelphia wife.

Said a professional man in San Francisco: "If I had my own phone, that would be one small way of getting back at the phone company."

Who's responsible for service?

Those satisfied with rented telephones and chary about buying them, were mainly concerned over who would service purchased phones and the compatibility of these instruments with the telephone utilities' services and advancing technologies.

"I like the convenience of letting the phone company handle problems. I'd be afraid things would get mixed up," remarked a Pittsburgh widow.

The majority of prospective telephone buyers, 54%, said they would expect to pay not more than \$50 for an instrument, with 32% indicating they would anticipate spending \$51-\$100. However, many consumers said their expenditures would be contingent on the amount likely to be saved on tele-

phone company bills, one of the prime considerations in purchasing a phone. In short, they wanted "the phone to pay for itself."

Most consumers interested in buying did believe they'd save money long term. Moreover, they felt "monopolistic" phone companies' already "too high" rates were sure to continue to rise, thus affording an even greater savings.

Some optimistic consumers believed the new phone competition might cause a drop in utility rates and a rise in efficiency. "Lousy service" was another big reason to "retaliate" against the phone company, according to the survey.

Choice of styles, colors

Respondents said they liked the idea of a choice of phone styles and colors to better match their decor. They said they would look for high-quality phones.

A Virginia Beach, Va., woman said: "The sky's the limit on decorative phones. I'd like sterling silver or solid jade."

"I want elegance in my furnishings and in my phone," noted a bachelor in Portland, Ore. "Buying a phone gives me greater selectivity than you get through the phone company."

A number of consumers indicated plans to buy their own phones when they redecorate. They also liked the

idea of not having to obtain new instruments should they move.

Almost the mere mention of the words "telephone company" struck an emotional cord in many consumers, a number of whom said they "hate" the phone company, calling it "the biggest rip-off going" and "a pack of thieves." Many felt, they said, "at the mercy" of Ma Bell.

"I think the phone company has been a monopoly long enough," commented a father in Memphis, Tenn. "People should have more flexibility in their communications system and not be dictated to by Bell."

Bell's phones good enough

Most of the 57% of respondents who

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With Hardwick...minimum inventory means maximum profit.



Your Hardwick distributor paints your profit picture brighter. He carries your inventory for you. All you stock are display units. You show and sell from these and your distributor delivers as needed from his complete Hardwick gas, electric, and microwave line... backed by 99 years of dealer satisfaction. Everything is just a phone call away. And so are we. For more information on the Hardwick Plus Profit Story... call toll free 1-800-251-7210.

the profit line...

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America's Standard of Cooking Excellence Since 1879

Cuisinart, eat your heart out.

The Waring Food Processor comes with a lifetime—your lifetime—motor guarantee.* Unfortunately, Cuisinart doesn't.

The Waring Food Processor can do two food processes—like grating and mixing—at the same time. Unfortunately, Cuisinart can do only one.

The Waring Food Processor has an automatic pulse control that gives you

precision control, automatically. And a special braking system to help keep it from overprocessing food. Unfortunately, Cuisinart doesn't come with either feature.

Waring believes you deserve all these things when you pay for a quality food processor. Cuisinart, don't you agree?

The Waring Food Processor

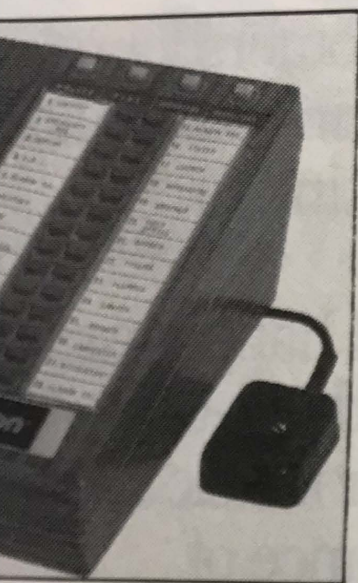
*Waring will repair or replace any defects in workmanship or materials of motor for your lifetime.



WARING

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Model ATD-32

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Park St., M, Troy,

TI's Slimline TI-25

four-key memory; eight digits or five-digit mantissa and two-digit exponent in scientific notation.

Texas Instruments Inc., Consumer Relations/TI-25, P.O. Box 53, M, Lubbock, TX 79408.

Parker Brothers

BEVERLY, MA—Parker Brothers' new Merlin electronic game offers a library of six computer games—games of chance, strategy, memory, logic and skill. Merlin keeps score, congratulates you when you win, gives you the raspberry when you lose.

Expected to retail in the mid-\$20 range, the unit features a 2,000 byte memory and counters your move with its own maneuvers and communicates with a unique vocabulary of electronically synthesized sounds.

Created for one or two players in the seven-to-adult age, Merlin offers games from basic Tic Tac Toe to Mindbender.

Parker Brothers, 50 Dunham Rd., M, Beverly, MA 01915.

Siva Products

MIAMI, FL—Siva Products, Inc. has introduced Dual-Matic and Liteguard high-performance projection tv screens. As the room darkens, the screen automatically adjusts brightness into a widening viewing zone.

The company indi-

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*Casio, Inc., 1
Fairfield, NJ 07*

GP Elect

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Le-Bo Pr

Product Picture

Coleco Industries

HARTFORD, CT—Coleco Industries, Inc. has added "Naval Battle," its fourth cartridge for its "Telstar Arcade" programmable microprocessor video game.

Selling for around \$20, cartridge 6114 offers three action games in color—"Naval Battle," "Speedball" and "Blast Away," each with sound effects. As each game is played, the changing score flashes on the television screen.

Coleco Industries, Inc., 945 Asylum Ave., M, Hartford, CT 06105.

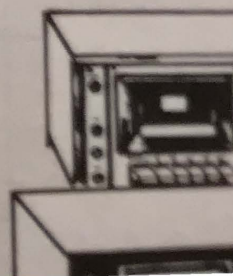
GC Electronics

ROCKFORD, IL has added a CB base designed for both AM Range Booster II phone with amplified dB and the Range I incorporates variable amplifier gain of up to 10 dB and volume control. It features a "lock-to-talk" and "lock-to-free" operation. Price, \$53.10 to \$63.72.

GC Electronics, 4 M, Rockford, IL 61101.

THE DE CONTINUES FOR SA

And our audio line



ried over, one of which features new cabinetry. The firm's 23-in. table model has been dropped.

All the new receivers are open listed.

In black-and-white, Zenith is marketing three new open-listed models with minor cosmetic changes, two 16-in. units and two in the 19-in. screen size.

Starting shipments of Compucolor II

NORCROSS, GA.—Intelligent Systems Corp. says it will begin shipping its Compucolor II personal computer system this month.

There are five models in the Compucolor II series ranging in price from \$795 to \$1,995 with a variety of features and add-on peripherals.

All models are equipped with a 13-in. color monitor and built-in floppy disc memory storage unit. Compucolor II can use a conventional audio cassette tape for data storage, but the floppy disc allows data retrieval in seconds.

Several department stores and computer and audio specialty stores already sell the Compucolor I mode produced by Intelligent Systems.

Marshall Field heads southwest

CHICAGO—Marshall Field & Co. plans a 200,000-sq.-ft. full line department store in the Galleria Mall in

opened two new stores in the past year. In two we've operated first New York store 12 W. 45 St., just your offices. Why and see us sometime around for a long

Thanks for the information coming

De
New York

Faith in retailers

I just wanted to tell you how much I enjoyed the February issue of

I thought you Autosound at the dealer/retailer conference.

Congratulations "advertisers" who source of all knowledge retailers believe in retailers say!

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A lei from Honolulu

Want to let your Honolulu Market the best ever featuring.

Because of the direct your coverage, I try manufacturer ready for all understanding merchandising ma

Marketing Forecast: 1978

Billboard Week

A BILLBOARD PUBLICATION

MAY 1978 \$20.

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Advertising

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Gibson
Appliances

"disaster" for VTR and that what the industry really needs is a price hike—if only as a "psychological" move aimed at consumers who have postponed purchase because of expected price drops.

Projection TV

More and more merchants are considering merchandising projection tv systems, eager to see new one-piece units expected to be introduced this spring by both domestic and Japanese manufacturers. However, retailers still contend that pricing must fall to a more "realistic" level in order to generate mass market sales. But, here again, dealers stress consumers investing four figures in any electronics product expect high quality and, hardly bargain hunters, are willing to step up a bit to get it.

Some retailers taking their first crack at big-screen tv are treading gingerly, working through a distributor on a special order basis for high-end models and operating on a "one-to-show, one-to-go" system for those units retailing at substantially lower prices.

TV Games

Considering the tv game basically a gift item, most merchants say they will confine promotional activity to holiday times. Less seasonal, however, are programmable game cartridges, recently selling at a far healthier pace than hardware. Short on modules last fall, some merchandisers indicate they are now catching up on these orders.

While they plan to wait for fall to stock their shelves with video games, some retailers will look to expand programmable video game lines this June. At this time of year, however, consumers are showing little interest in the units, according to merchants. •

MERCHANDISING

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MAY, 1978

plant... will be basically the same as that demonstrated in Las Vegas, according to Stone. The remote control model on view at CES featured a 60-in. screen, electronic microcomputer tuning, "Dyna-color," VIR and "Audio Spectrum Sound."

Stone said the unit is expected to be available in the third quarter this year. Quasar plans to feature the system in national advertising beginning next month.

APF seeking new funding or merger

NEW YORK—APF Electronics is holding "exploratory conversations" with a number of foreign and domestic firms with a view to private financing or "possible corporate consolidation."

Martin Lipper, treasurer, said, however, that no definitive agreements have been reached.

APF reported a net loss of almost \$1.4 million in 1977. Sales for the year totaled \$33.5 million, compared with 1976's \$39.1 million.

MERCHANDISING

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Happenings

Bally again shipping programmable games

CHICAGO—Bally will shortly resume delivery of its programmable video games after gearing down production because of difficulties encountered with a custom chip used in the units.

"We have solved the problem," said Bob Wiles, general manager-consumer products. "Now its a case of getting back on stream." Full production was to have been resumed by the beginning of this month, Wiles told *Merchandising* at presstime. The company still anticipates building to levels deter-

mined before the defective IC was spotted, during long-term life tests. The problem chip affected 5% of the firm's programmable video game production, Wiles said.

Units utilizing the IC can, after a period of time, display "unprogrammed video" replacing the desired picture. In most cases, the difficulty can be cleared by switching the set off and on again.

Bally's add-on module, demonstrated at the January CES, that would turn the microprocessor-based

game into a home computer, will be available late fall, according to Wiles.

Color tv shipments up 25.3% in March

WASHINGTON—Total March U.S. market sales of color television receivers were 966,325 units, an increase of 25.3% over the 770,977 models sold last year, according to the EIA's Marketing Services Department. For the three months, sales were up 14%.

In other categories, black-and-white sets increased 20.6% in March and 3.5%

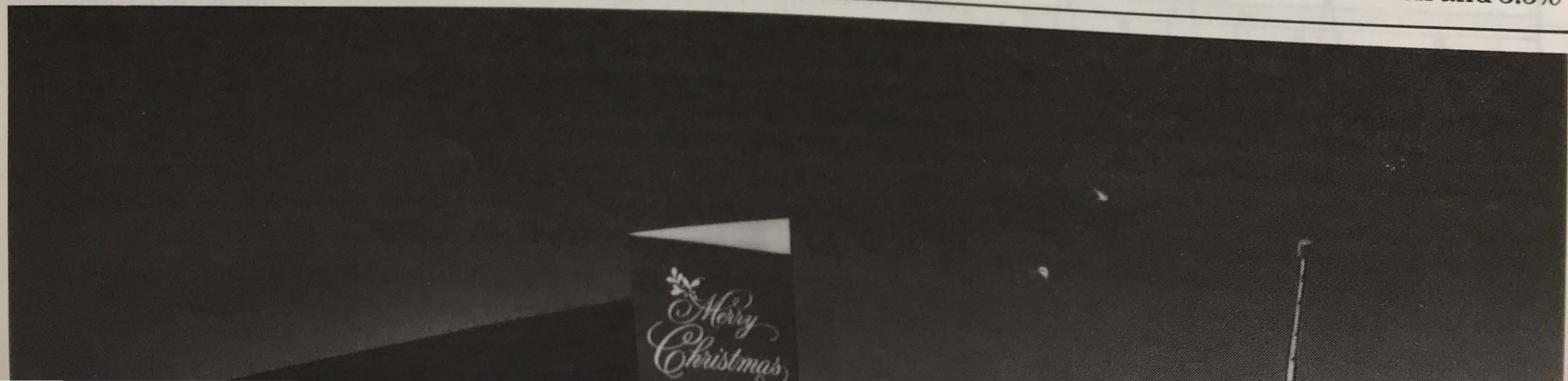
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ments containing provisions to conduct business in a "mature and professional manner in order to benefit the future growth of the hifi industry," according to a Pioneer spokesman.

The company has been active in taking legal action against dealers allegedly engaging in bait-and-switch tactics and the new franchising agreements are designed to discourage this type of selling by Pioneer dealers.

Coleco talk merger, sees 4th quarter loss

HARTFORD, CT—Coleco Industries, Inc., is holding "exploratory talks" with a "major company" that recently indicated an interest in acquiring it, according to Arnold Greenberg, president. He declined to name the company.

Greenberg also said that Coleco will report a "substantial loss" of \$699,000 for its fiscal 1977 fourth quarter on sales of \$43.9 million. However, the company is expected to show \$1.7 million earnings for the full year on sales of \$137.1 million.

According to sources, the drop in Coleco's earnings was caused by late delivery of tv game chips prior to the Christmas selling season.

MERCHANDISING

RETAILERS LOOK FOR CES GOOD

Nearly half of the retailers attending the Consumer Electronics Show in Chicago next month will be looking for new compact stereo and hifi components products.

Actually, 49% of the dealers around the country identified compacts and 47% mentioned hifi components when *Merchandising* asked: "What kind of product will you be looking for at CES?" as part of its April Retail Opinion File.

Thirty-eight percent, including some of the same retailers who indicated they were looking for compacts and components, also said they expected to pursue new autosound products at the show. And 27% said they were interested in console stereo.

Significantly, about 28% of the dealers questioned noted that they expected their inventory position would be "below average" in autosound and hifi categories at CES time.

Most dealers, however, indicated their inventory in both product categories would be about average as they went to CES.

Video games produced the most startling statistic in terms of what inventory position dealers expected to be in as they go to the show. Sixty-eight percent of the dealers surveyed said their tv games inventory would be below average, with 21% indicating "average" tv games inventory. But only 27% of the respondents said they would be looking for tv games at CES.

Well over a third (39%) also said they would be looking for home VTR systems at CES with another 33% indicating purchases of blank videotape.

Weakest of the product categories surveyed was digital watches. Only

QUESTIONNAIRE

1. How have your electronics sales been since the first of the year?

	%	
Even	28	Up 20-30%
Up 5-10%	24	Down 5-10%
Up 10-20%	12	Down 10-20%
		Down 20-30%

2. What kind of sales are you expecting in the second half?

	%	
Even	20	Over 30%
Up 5-10%	30	Down 5-10%
Up 10-20%	28	Down 10-20%
Up 20-30%	8	Down 20-30%
		More than 30%

3. What do you expect your open-to-buy will be at the CES?

	%
Same as last June	56
Up 5-10%	27
Up 10-20%	13
Up 20-30%	1
Over 30%	3

4. What do you expect your inventory position will be at CES?

	%	
In Autosound		
Below average	27	
Average	61	
Above average	12	
In Hifi	%	In TV Games
Below average	28	Below average
Average	57	Average
Above average	15	Above average
In Color TV	%	In VTR
Below average	23	Below average
Average	60	Average
Above average	17	Above average

5. What kind of product will you be looking for at the show?

	%*
Autosound	38
CB	18
Hifi components	47
Compact stereo	49
Console stereo	27
Projection TV	30
TV Games	27
VTR	39
Calculators	
Digital Watches	
Video Blank Tape	
Audio Accessories	
Other	

*Equals more than 100% due to multiple selections

or tv

Year Tables

l values for

cooking (\$20)
Carrying a \$20 factory rebate are
two dishwashers and model
CTF21GW refrigerator carries a \$50
rebate. A washer and dryer pair bring a
\$40 factory rebate.

Atari introduces seven cartridges

NEW YORK—Atari has premiered
seven Game Programs of its Video
Computer System at a press meeting
here.

Two of the games, Hunt & Score and
Codebreaker, are designed for the
company's new Keyboard Data Entry
Controllers. Also, Breakout has been
improved and developed into a Game
Program Cartridge.

Other new cartridges include Home
Run, Hangman, Outlaw and Space
War. Prices are estimated to be around
\$20.

Michael Shea, Atari director of mar-
keting, also indicated that another five
new Game Program Cartridges will be
upcoming for the holiday season.

for the *Engineering Week*
A BILLBOARD PUBLICATION

JUNE 1978 \$10.

Electronics

FOR THE INDUSTRY WITH MORE THAN TODAY ON ITS MIND

CES: A Sky Full of Electronics



Electronic
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can factor in sparking sales.
In fact, many retailers are calling
on manufacturers to put greater em-
phasis on the pre-recorded aspect of
VTR—in addition to driving home the
point of its use as a time-shift device.
They say they are eager for the devel-
opment of special programming fea-
turing documentaries, sports, opera,
ballet, as well as symphony and rock
concerts, to provide further interest in
the VTR concept.

But perhaps most important, deal-
ers are underscoring the need
for pricing stability to build
consumer confidence in this new prod-
uct. Most see further price deteriora-
tion in the months ahead, bringing a
base deck down to the \$500-\$700 range
by year's end. While higher priced
step-up models will also be marketed,
unsteady pricing over the past nine
months has, in fact, eroded consumers'
confidence, resulting in the all too fa-
miliar "wait-and-see" syndrome.

"It's a vicious cycle," comments one
dealer, "of dropping prices, consumers
waiting for further cuts; then lowering
prices again—but in so doing, confus-
ing the consumer even more."

Basically, however, retailers con-
tinue to have high hopes for VTR, pre-
dicting accelerated sales once pricing
settles down and as more models are
introduced with additional features
and consumer benefits.

As one dealer put it: "For years, all a
tv dealer has had to sell has been tv
sets, installation and servicing. Now,
we can also merchandise VTR cam-
eras, mikes, blank and pre-recorded
tape. For a man in the tv business,
VTR is a rebirth."

TV games

Electronics retailers are sounding
the death knell for dedicated chip
games, which they maintain are now
strictly for the toy shelf. Limited capa-
bility and lack of game variety were
the main problems, they say. But a big
new market in programmable video
games with computer capability lies
ahead, and merchants look forward to
robust sales of these units during
1978's fourth quarter.

Game-only units are anticipated to
make up the low end of this market,
but the real interest, according to re-
tailers, will be in models that not only
entertain but also perform utilitarian
household functions.

While many retailers are hopping
quickly aboard, others plan to watch
this market closely before joining it.

Some of these merchants, hurt by
price erosion on dedicated chips units,
are leery of the entire games category
but are nevertheless open to the possi-
bilities sophisticated programmables
offer.

Retailers point to two major cri-
teria affecting their decision to
enter the market: "Unique and
different" software and lines that offer
reasonably limited distribution.

There are some retailers, though,
who say they will quit the games busi-
ness altogether by the end of the year.
Claiming inability to compete with
discounters' blockbuster prices, these
merchants see little stability and no
profit in the category. Said one: "Con-
sumers are confused—they'd like to
own a programmable but they see
prices dropping every week. They re-
sist games in the same (pricing) light
as CH radio."

As for low-end dedicated games, a
number of retailers plan to use them as

Premiums or sales closer as the year
rolls on.

Projection TV

Retailers plan to merchandise new
high-performance projection tv sys-
tems bowing from domestic and Japa-
nese manufacturers, but at this stage,
have little expectation for volume
sales. Instead, promoted in local ad-
vertising, projection will act largely as
a traffic builder.

Some retailers have in mind "step-
ping down" consumers from a \$3,000
projection system they may have only
been curious to have a look at, to a
color console, at \$600 or \$700, which in

comparison would seem a small ex-
penditure.

Several video specialists across the
country say projection tv is beginning
to gain momentum, particularly when
promoted with VTR, pre-recorded
software and tv games. Usually, it is
the male—especially sports fans—who
initially exhibits interest in projection,
but often the sale isn't closed until he
visits the store for a second go-round
with his mate.

Despite all the excitement that
projection is generating, many
merchandisers have reserva-

tions. Although the
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Also, a number of
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you didn't have to sit
it in a dark room."

GIANT Retail Profit From MUNTZ Giant Screen Television



Earl Madman, Muntz, President Muntz Electronics

Muntz is making the most wanted product in
America today—giant screen televisions for
homes, offices and businesses.

And Muntz is the only giant screen manuf-
acturer which offers floor models or ceiling
mounts in either completely self-contained or
two-piece models. Our giant screen measures
50 inches diagonally and is four times larger
than a 25 inch screen and twelve times larger
than a 15 inch screen!

But, then, there is our jumbo 67 inch
diagonal screen which is almost twice the size
of our giant 50 inch screen in terms of square

viewing area.
Naturally, our units are color sets with suc-
cessful features as remote control commanders and
digital read-outs. And our lady customers think
they are elegant enough to be considered
lovely new home furnishing.

But our real sales secret is that we've put
these magnificent giant screen sets in reach of
the mass-market pocketbook. Muntz giant
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If you are a profit motivated retailer, drop us a
line today and become a moneymaking Muntz
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CITY, STATE & ZIP _____
TELEPHONE _____

Overview

spotlight somewhat by those sophisticated mini combo units.

Jack Sauter, vice president-marketing, RCA Consumer Electronics told *Merchandising* that pricing should be generally in line with the last half of 1977. "Sets introduced now won't have the promotional pricing that was available this spring," he said. "They will be comparable to the levels of 1977's last half." RCA, however, plans to raise prices "slightly" on its XL-100 line, which this year incorporates electronic tuning.

Alex Stone, vice president of marketing and sales, Quasar Electronics Co., thinks "there's a good likelihood" that 1978 will be a record year if the industry at least matches 1977's last-half volume.

Interest in higher end
Discussing the rising sales of remote control units, Stone notes: "This indicates the increased level of interest exhibited by both dealers and consumers in higher-end goods. The consumer isn't really looking at the cheapest set but the best value."

Joe Lagore, executive vice president, Consumer Products Co., Sony Corp. of America, indicates a "healthy out-

**B&W TV, Total:
5,527,000***

look" for color tv. He points to push button electronic tuning as an action center, as well as remote control.

Says Chuck Dolk, vice president-product management, Magnavox: "We look for a very strong second half, but closer to 9-9.5 million units. We don't think the rate we've seen in the

first four months of 1978 can be sustained for the balance of the year."

Remote to get stronger
Ron Friedlander, senior vice president, Hitachi, comments: "Remote control will get even stronger as the year progresses. We're featuring it in our 13-, 15- and three 19-in. sets and plan to expand it further next year."

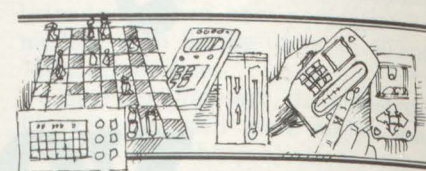
Robert Whitehead, national sales and merchandising manager-tv, Sharp Electronics, summed up the competitive pricing situation: "There are new low prices coming into the market from other sources, notably Taiwan and Korea, escalating prices on Japanese sets and a raging battle going on between domestics." He sees no change in this scenario during the second half.

As one manufacturing executive observes: "It's really a question of how much lower RCA and Zenith will go. It used to be a case of seeing how far

prices would drop on secondary and tertiary brands. Now it's the reverse situation."

**In units, from Statistical & Marketing Forecast, Merchandising, May '78.*

TV Games



The tv game business is shifting from a 3-tiered to a 2-tiered market of low-end ball-and-paddle units and high-end programmables. But the real growth in 1978's second half will come in programmable units, expected to double or even triple last year's sales. Estimates call for 5-6 million video games to be sold in 1978, including 35-40% programmables.

What's new in microprocessor-based games? This month marks the debut of two entrants to the programmable field: Magnavox, with a unit incorporating an alphanumeric keyboard and what the firm calls "quasi-computer" capability, allowing users to learn the basics of computer programming, and Mattel Toy Co., whose electronics division is introducing a unit that features one game per cartridge, each involving "complex playing situations."

The direction the market is taking is exemplified by two major changes: Magnavox's phase-out of all dedicated chip games and Atari's abandonment of low-end ball-and-paddle units and de-emphasis on mid-priced dedicated chip models, a part of the business in which it is no longer investing.

Pricing outlook

While manufacturers concur that pricing on dedicated chips will continue to drop this year, programmables should stabilize at current levels, although compared to the second half of 1977, tags will generally be about 10%-20% lower.

This year will see considerably more national advertising for programmable games, both on network tv and

**TV Games, Total:
7,913,000***

in magazines. Much of the promotion will focus on the units' versatility and range of software offered.

While no one is denying tv games sales' seasonality, manufacturers maintain that with programmables, this is reduced by the year-round demand for cartridges.

"Software sells no matter what season," says Atari's marketing director, Michael Shea, who looks for "super" programmable sales during the last half.

"When a consumer buys a dedicated game, he usually becomes bored rather quickly—and that's it. When people get bored with the cartridges bought with a programmable, they go out and buy a new cartridge," Shea added that Atari finds most consumers purchasing 4-5 cartridges along with the game console.

Chuck Dolk, vice president-product management, Magnavox, says "creative programming is the key" to programmables' success. "We're testing the water with our new game. No one really knows what the real market potential is for games in the \$100-\$200 price bracket, particularly if a large complement of the game cartridges are similar to those consumers can get in

MERCHANDISING

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Merchandise you can turn into a whole new profit center.

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38

If there ever was a car sound product guaranteed to attract a crowd—and sales—it's the Sparkomatic Acoustalrac™. Because with this amazing graphic equalizer your customer can *SEE* the amplifier response, not just hear it. An illuminated screen graphically shows how the amplifier actually performs after each tone adjustment.

So while the travelin' man adjusts the sound of his car stereo radio or tape deck to his personal listening tastes, he can actually see the shape of the response curve he has "shaped." And with the Sparkomatic Acoustalrac he can keep track of the shape his high fidelity is in.

Of course, as a power booster the Acoustalrac is unparalleled at boosting audio output power, while giving the travelin'

man total control in blending the bass, midrange and highs.

It features slide controls that infinitely adjust five different frequency bands. Plus 40 watt RMS stereo power, front-to-rear fader control and a power indicator light.

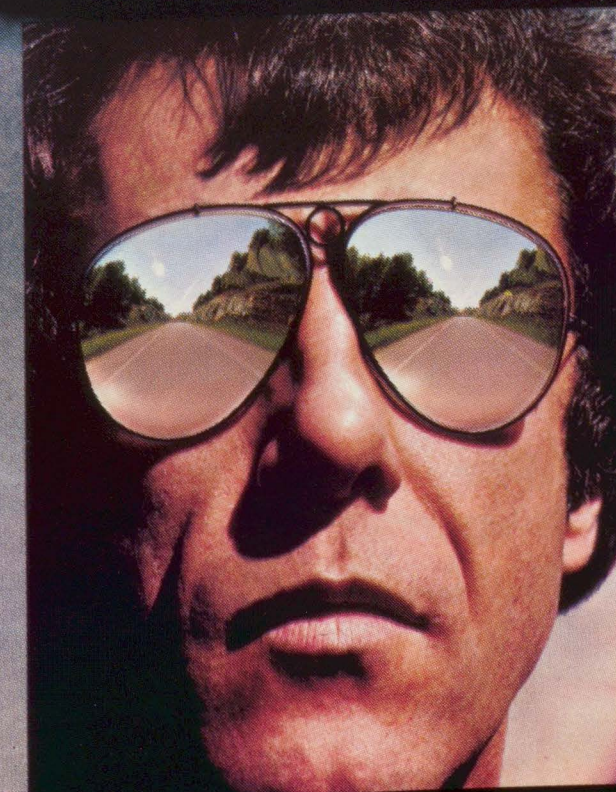
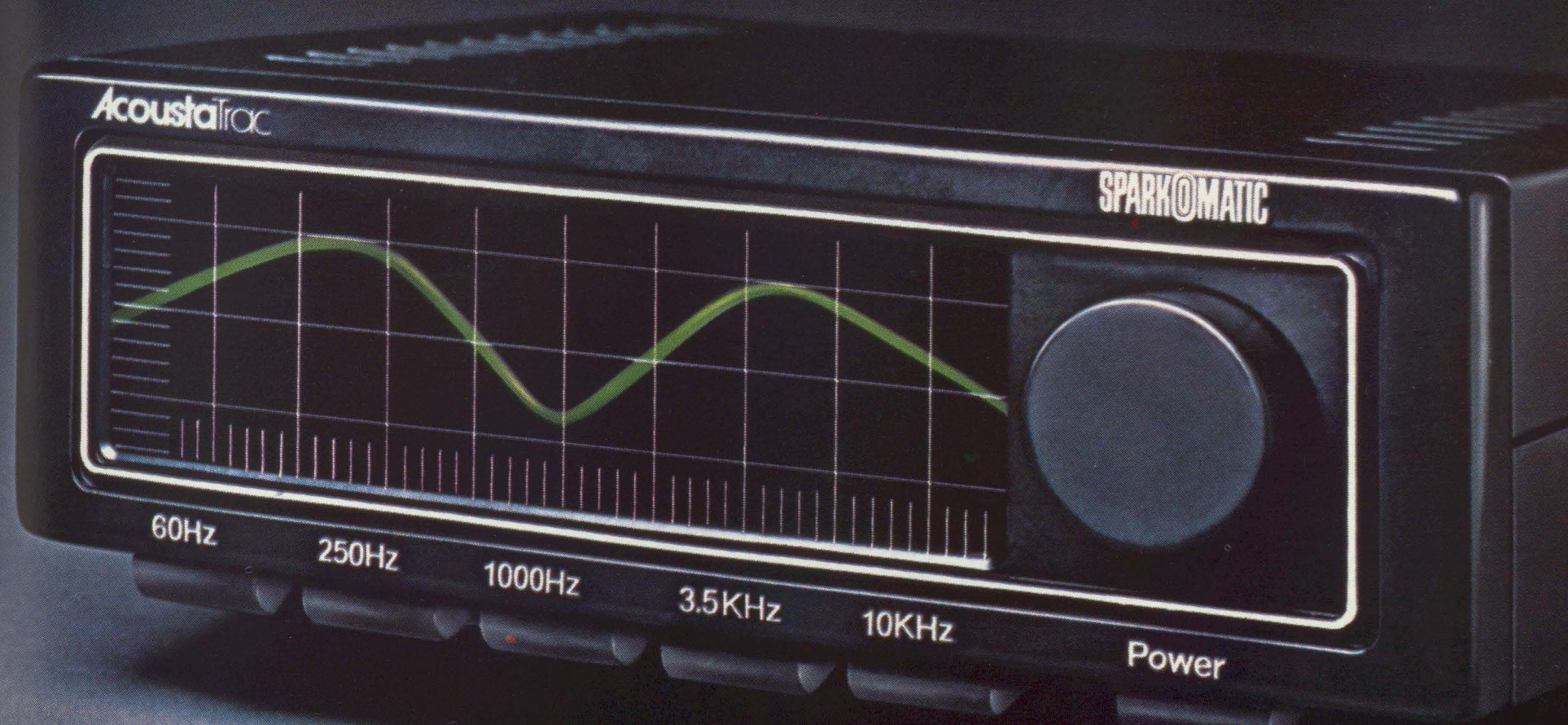
The Acoustalrac makes it easy for your customers to not only hear, but *SEE* the advantage of Sparkomatic's graphic equalizer.

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Car Sound/CB Equipment/Auto Clocks/Shifters/Creepers

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THE SPARKOMATIC SOUND. IT'LL OPEN THE TRAVELIN' MAN'S EYES TO GREAT CAR HIGH FIDELITY.



Dimensions: 2"H x 6 3/16" W x 6 1/2" D.
Patent Pending

Overview

\$30 games." Dolk says Magnavox has plans for "new and different" cartridges.

More conservative than '77

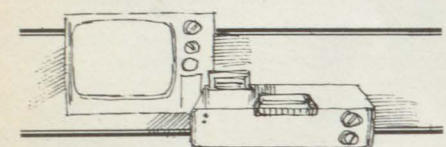
Greg Reyes, vice president and general manager, video products division, Fairchild, sees "a strong year but one somewhat more conservative than 1977. Retailers will be a lot more cautious in their buying and manufacturers in their building."

Why? Reyes called last year "somewhat disappointing" for industry participants. "Retailers and manufacturers expected a better fourth quarter and were left with more inventory than (we) anticipated."

Noting "limited production" scheduled for Mattel's "Electronic Cartridge Video System," Mal Kuhn, director of sales, electronics div., calls video games "a good business," stressing programmables as the growth area. But, said the executive, "You won't see a lot of people getting into the market because programmables are very expensive and complex to build." Citing "undersupply," Kuhn expects no programmable price erosion in the second half.

**In units, from Statistical & Marketing Forecast, Merchandising, May '78.*

Videotape Recorders



Home videotape recorder producers will wage strong advertising campaigns to educate consumers and stimulate the market during the second half of 1978 following a disappointing sales slowdown during the first quarter of the year. While all agree that the lag was temporary, some manufacturers feel the market had been overestimated at the outset. Nineteen-seventy-eight VTR sales are now anticipated to total 500,000 units, most producers predict.

It is hoped that heavier, informative advertising will eliminate much of the confusion—brand, format, pricing—that disrupted the marketplace following excellent Christmas sales.

All factors considered, manufacturers are looking for a healthy upswing as the year progresses. While the suggested list price is expected to remain at about the \$1,000 mark for a basic deck, special manufacturer promotions, such as consumer rebates, will have the effect of lowering prices. However, new step-up units will become available with advanced features that could add as much as \$200 to suggested retail.

Also new to the VTR scene is the introduction of portable units, expected to be available later in the year. New color and black-and-white video cameras have also been unveiled.

Generally, manufacturers will be stressing such features as programming capability, indexing, remote pause, electronic tuning, timed stop, and built-in timers.

Although it seems unlikely to occur, some manufacturers are talking about the threat of a VTR glut that could result from excess production capacity in Japan.

Blank videotape

In blank tape, several audio tape producers plan to market branded 1/2-in. videotape this year, some of whom have attributed the dip in hardware

sales to a shortage of blank tape, now eased.

3M, who has been marketing home Beta cassettes, will be testing VHS tape in selected areas later this year. Fuji Photo will have both VHS and Beta cassettes under its own label before the year is out. And TDK will begin marketing its own VHS videotape this month, and will introduce branded Beta cassettes early next year.

Also, Beta cartridges will debut under the Ampex name by July; the firm may market VHS in the fall, as well. In addition, Memorex plans to enter the home videotape field in the first quarter of 1979 and Dupont is now in licensing negotiations with a view to marketing both systems next year.

Blank tape makers, too, plan to mount national ad drives, theirs targeted primarily at VTR owners.

"We're looking for a very strong

upswing in software sales now that hardware suppliers are pumping heavier money into the market," says Steven Frederickson, marketing development manager at 3M. "We should see a very sizable return to the market."

Still introductory phase

Ken Kohda, marketing manager, TDK, notes: "I don't think this is harvest time for us as a brand tape maker—it's still the introductory period. But more tapes availability will help deck sales," particularly, he said,

Home Video Recorders: 450,000*

if suppliers begin to think of tape as a "component" necessary to the function of the machine, rather than as an accessory.

Terrence Donnelly, national sales manager, Fuji, who like some other

tape firms may market to pre-recorded duplicators as well as at retail under its own brand, says "Should we have a very strong fall in VTR, there could be another tape shortage—although tape firms are gearing up now."

Alex Argendeli, product manager, videotape, Ampex, also sees the possibility of a shortage: "Consumers are building up a library and hoarding tapes," he says.

"The industry had a faltering step this year, but it's not a good indicator of the market," notes Al Pepper, marketing manager, consumer products, Memorex. "Everyone went a little bananas last year because of all the confusion, but long term, it's going to be a very good business, and we intend to be in it."

Pre-recorded software

Adding to the excitement in home VTR, pre-recorded cassettes are steadily gaining in popularity, despite the

limited number of available titles. However, this month, the two biggest marketers, Magnetic Video and Video Warehouse, will introduce a number of additional films.

Firms in the pre-recorded business predict continued healthy sales in programmed software for the second half but remain eager for major studios (in addition to 20th Century-Fox) to lift the lid on feature films for home cassette sales. The studios say that time will come once sufficient hardware penetration is reached—the "magic" number is said to be in the range of about 5,000,000-10,000,000 decks in the hands of consumers.

Meanwhile, other pre-recorded products may be forthcoming this year from the tv networks and sports associations. There are reports, for instance, that CBS is considering test marketing a group of news specials for consumer VTR later this fall. And

CBS Records is in fact building a \$50 million record and tape duplicating facility in Carrollton, Ga., scheduled to begin operation in 1980. According to a CBS spokesman, the plant will manufacture videotape cassettes, in addition to records.

Another indication of the blossoming of pre-recorded video is the start of

Prerecorded videotape: 165,000*

at least one test market cassette rental program this spring in selected areas of the country.

Second-half surge

"We'll see a big sales spurt during the second half, resulting from heavy promotion by manufacturers," notes Stan Hametz, assistant general manager, tv department, Panasonic. "You'll see prices at current suggested

levels, but there will be more aggressive sales programs to move units this year—in effect, a price decrease of sorts," based on promotional outlays by suppliers.

"The fall is going to be one fantastic season for us," says Jack Sauter, vice president-marketing, RCA Consumer Electronics. "We're geared for a very big year."

While Sauter predicts RCA's hitting the 1978 sales figure it targeted based on 750,000 units sold industrywide, he concedes that total sales probably will not now reach the firm's original market projection.

Comments Alex Stone, vice president of marketing and sales, Quasar Electronics Co.: "Pricing will stabilize during the second half. Some of the promotional pricing you're seeing today is more a reflection of people's disappointment relative to their own forecasts rather than the state of the

Overview

business."

Stone also notes that unless a dealer makes it a point to become strongly identified with VCR and lets consumers know he is in the business, he doesn't stand much of a chance (in VCR).

Education taking longer

Joe Lagore, executive vice president, Consumer Products Co., Sony Corp. of America, states: "We have every confidence that VTR is going to be a very strong consumer business," but, he adds, "it may take more time than we originally anticipated to educate the consumer to the benefits of the product. There's still a very big educational job to be done with consumers," he stresses.

"Based on our projection," notes Chuck Dolk, vice president, product management, Magnavox, "if the industry sold 400,000 units this year, it would be very successful." On pricing, Dolk points out: "There is a large number of people who think the price of a VTR deck will get down to \$595. In fact, that expectation has kept many out of the market. They're going to be disappointed because that's not going to happen—VCR is not like a calculator. It's the most complex product in a consumer's home and a very expensive one to build."

Says Ron Friedlander, senior vice president, Hitachi: "We're looking for the second half to pick up greatly." Hitachi is introducing the 4-hour VHS unit, together with color and black-and-white cameras.

Possible over-inventory

While Friedlander believes "everyone learned a lesson" during the first quarter sales slowdown, still, he acknowledges possible price erosion resulting from over-inventorying: "Japan is capable of producing more than the projected sales for both Japan and the U.S. If some firms are too optimistic

Blank Videotape: 5,360,000 cassettes*

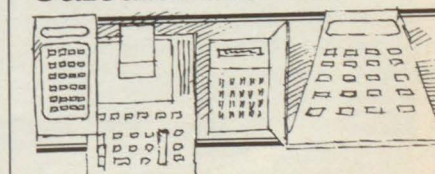
tic about sales, there could be a bit of a glut in the American marketplace. If they import more than they can possibly sell, I think you could see some price erosion."

Says Robert Whitehead, national sales and merchandising manager-tv, Sharp Electronics, which has not yet introduced a VTR to the American marketplace: "We're watching the videotape field very carefully, but we see some perils in that business right now. It's perilous when you have a thin market, a big capacity and a high ticket item sold at very low margins. Everybody tends to get nervous about sitting on inventory and cuts prices."

**In units, from Statistical & Marketing Forecast, Merchandising, May '78.*

Personal Electronics

Calculators



Calculator manufacturers are placing their "cards" on merchandising tables this second half, predicting sales aces for this and other fashion-oriented, specialty product categories.

Introducing Clarion's new Hi-Way Fidelity Series.™ A masterful design of economy in space, extravagance in sound.

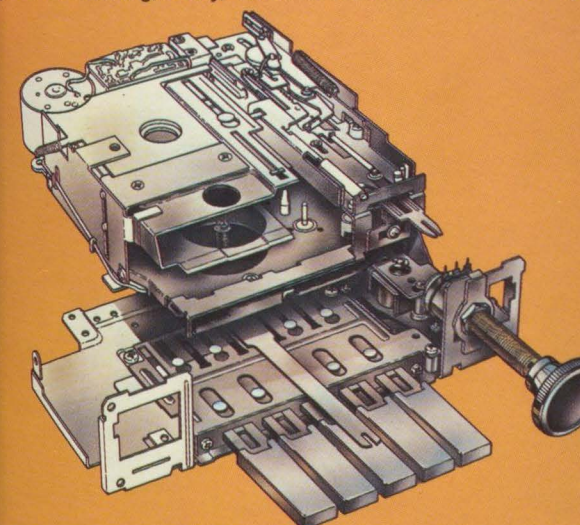


A new generation of Hi-Way Fidelity from Clarion, the company who invented it.

Clarion Hi-Way Fidelity, already the standard in the industry, has taken another giant leap forward. After more than two years of development, Clarion engineers have perfected a pushbutton cassette which packs more features into less space than any other unit on the market today. And, when played through Clarion's advanced new 3-Way Hi-Way Fidelity speakers, it's like a concert in a car.

The Clarion PE-751A AM/FM/MPX In-Dash Cassette.

Ultra thin tuning and cassette mechanisms allow us to offer you pushbutton tuning, Dolby, automatic reverse, and 15 watts per



channel, all in the same chassis. In addition, the PE-751A features separate bass and treble controls, front to rear fader, left to right balance, tape and stereo indicator lights, local/distance switch, locking fast forward/rewind, integrated circuitry, and FET front-end. Fewer moving parts in the new FM tuner enhance our already superb reliability and the small, compact design will fit most cars on the road today. Where others have had to go to separate components or cumbersome chassis to offer as many features, Clarion has done it all in a single compact unit—at no sacrifice in performance. (e.g., wow and flutter of 0.13% WRMS; Frequency response, 40Hz—15,000 Hz, signal to noise ratio of 58 dB.)

New SK-103 3-Way Rear Deck Mount Speaker System.

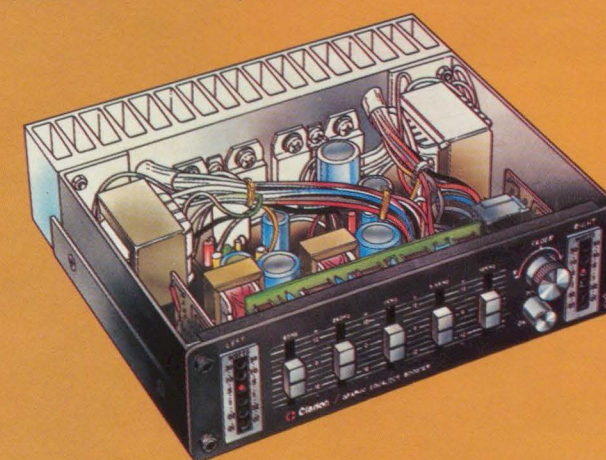
By virtue of unique and ingenious design, Clarion is able to make this home hi-fi speaker concept work in a car—without custom installation. These separately mounted speaker elements are just like a home speaker. Instead of the typical 2-way and 3-way designs for cars where mid-range and tweeter drivers are mounted in front of the woofer, restricting bass performance, Clarion has mounted a dome tweeter and mid-range at the side of a 6" x 9" woofer with a 20 ounce magnet, and made the system work with a standard 6" x 9" mounting hole. Can they perform? The SK-103's can handle up to 30 watts per channel, with a frequency

response from 60 to 20,000 Hz. They're the perfect match for your new Hi-Way Fidelity System.



The 300-EQB High Power Graphic Equalizer Booster.

And for those customers who simply must have the ultimate in quality car sound, Clarion offers an accessory which together with our receivers and 3-way speaker systems will give you virtuoso performances every time. It's our new graphic equalizer booster, the 300-EQB. Big brother to our industry leading 100-EQB-2, it achieves a new high in high power, low distortion performance. At maximum power, the 300-EQB delivers 30 watts per channel at 1 KHz at 1% THD. Frequency response is 40—30,000 Hz.



Features include compact design (naturally!), 5 tone controls, front to rear fader control, and right and left channel power indicator LED's which work like a meter to show power output.

If you think your customers would like industry leading quality, feature innovations, reliability and concert-quality sound, stop by the Clarion booth and see the new Hi-Way Fidelity Series.



5500 Rosecrans Avenue, Lawndale, CA 90260
411 North Avenue East, Cranford, NJ 07016
1253 Rand Road, Des Plaines, IL 60016
1330 Trans Canada Highway South, Montreal, Quebec H9P 1H8



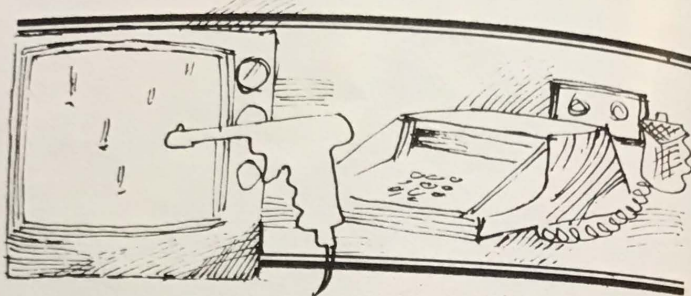
*Clarion's new Hi-Way Fidelity Series—underdash Components. Power, features, and performance in a compact package.



Leisurecraft Products: "Added-feat-ured LCDs will lead the way this fall and winter. Pricing will be steady and manufacturers will be offering all kinds of promotional packages. It looks good for a profitable year."

**In units, from statistical & Marketing Forecast, Merchandising, May '78.*

Non-Video Games



Riding on the strength of their video counterparts, non-video electronic games are projected to be the hottest new toy category this coming holiday season, according to leading suppliers.

Electronic games, from the handheld self-contained units through the microprocessor-based board varieties, are still an expanding market, with volume expected to rise considerably. Also, prices are due to decline substantially.

"Electronic games are still a relatively new item on the market and as volume grows, prices should drop," Richard De Lessio, marketing manager, electronic games, Parker Brothers, stated.

"We will be showing two new products at the CES—PEGS, or the Parker

→
MERCHANDISING

JVC's new Vidstar VHS has something for everybody. Especially dealers.



TV reception simulated

What's the big deal?
What you've been waiting for all along—a home videorecorder with more features to turn on more customers. Namely, JVC's new Vidstar HR-3600 VHS System.

And a JVC dealer support program that means a lot more profits for you. **People wanted more features in a home video system—and JVC engineered them first.**

Features no other videorecorder has, like:

- Still Frame—for stop-action and detailed close ups.
- Double Speed/Double Sound Play—to let customers find what they're looking for faster, with completely understandable sound and picture.
- Brand new features like:
- Remote Pause Control—for totally uninterrupted viewing.
- Remote Play/Record—for armchair control up to 20 feet away.

See us at the Consumer Electronics Show at Booth 412.



Telecine® Adaptor to convert home movies and slides to Vidstar video-cassette tape.

All built into the smallest, lightest, most energy-saving unit your customers can buy.

So what's in it for you?
More profits, less headaches. If you're already a Vidstar dealer...or sell other JVC equipment...you know what we're talking about.

It's a profitable new way of looking at TV.



Also Available: JVC Vidstar VHS HR-3300.

Because we can't make money unless you make money, we've backed Vidstar with hard-selling, dealer-oriented advertising, and the best sales promotion support you'll find for any videorecorder.

And the fact that JVC developed the whole VHS format in the first place tells you something about our capability for innovations—like our breakthrough totally portable Vidstar System.

Now, isn't it time to see exactly what JVC's new Vidstar HR-3600 can do for you?

Call Harry Elias, VP Sales, today at (212) 476-8300. Or write him at: JVC Home Entertainment Division, US JVC Corp., Dept. T-GL-38, 58-75 Queens Midtown Expressway, Maspeth, N.Y. 11378.

And he'll tell you how Vidstar can be profitable for you.

JVC
HOME ENTERTAINMENT DIVISION
US JVC CORP.

Electronic Game System with 15 sub-games, and Merlin, the Electronic Wizard, which is a hand-held game with a TI microprocessor. We have a strong advertising program and point-of-purchase materials to help retailers this season," he added.

Toy focus remains

Producers indicated that electronic games will most likely remain in the toy departments this year, but can certainly be merchandised in both sporting goods and electronics departments as well.

Indeed—although no manufacturer would admit to a formal program at this time—by their presence at the CES, non-video game suppliers were demonstrating their interest in broadening distribution beyond the toy category by showing their wares to electronics buyers.

"We have found that toy buyers are fighting to keep the electronic games in their departments," Russell Kahn, manager of promotions and publicity, Marx remarked.

"These games are not a fad and they will become a basic staple of the toy industry. This is really just the beginning and I say that in the future electronic games may just get their own department," Kahn declared.

Portability and convenience are the prime benefits of the electronic games, over their video brothers.

"These games are complex, yet you can carry them around with you. They don't wear out and they are non-repetitive. It's you vs. the machine for logic, sports and space chasing settings," S. Kent Wall, marketing director, Mattel, noted.

Publicity, a sales stimulus

"Both our electronic games have been sold out and we are coming out with a number of things for the CES. Electronic games have received an awful lot of press and publicity which has helped move units. We will be offering a high-end programmable video system on a selective basis and a pinball machine as well. And our promotional and advertising programs, on network and spot tv, should put the market over the top," Wall added.

As more and more companies enter the non-video game business, there will be new technologies, yet with lower pricing. But suppliers are not concerned as the toy market generally has always been one of the most competitive.

Should semiconductor firms—as has been suggested—enter the hand-held non-video game arena, "toy manufacturers are prepared for the onslaught. We have the distribution networks and believe that we will be the ones to survive with our experience and brand name identifications," one supplier commented.

Personal Computers



Software and accessories will share the personal computer spotlight during the second half of this year.

Additional programs, cartridges, cassettes, peripherals and features are slated to complement computers currently on the market. Few hardware introductions are expected for the balance of the year.

Suppliers also indicated that the availability of the hardware itself will most likely tighten, but retail prices will remain steady.

"At the June CES, we'll see such features as floppy discs and unlimited

memory becoming more saleable. Prices should be reasonably steady due to the higher volume and lower cost of components," Gene Carter, national sales manager, Apple Computer, noted.

Producers concurred that this combination of available software and hardware will certainly add new punch in a category that has left both retailers and consumers quite confused.

Educate the consumer

"The home computer can not do everything," John Moynihan, national sales manager, VideoBrain, remarked.

"Manufacturers must educate the consumer on what the personal computer can realistically accomplish. With the new programs coming out, the buyer will now understand just what the unit can do," he added.

As for the retailers, producers warn them to become as well informed as

possible before entering the market and that they should also develop a service department on the premises.

"I look for a chaotic market for the second half with shipment problems continuing," Ezra Mintz, president, CompuColor, said.

"Retailers have to be knowledgeable about the product, especially now

Personal Computers: 180,000*

when the consumer is getting early exposure to it. I am also hoping that the market does not become seasonal, with sales spread out through the year, not just during the fourth quarter," Mintz continued.

Two different markets

Personal computer manufacturers also point to the two different markets established here—the hobbyist, primarily interested in the kits, and the ev-

Overview

eryday consumer, eying the finished product.

"We have found more and more hobbyists looking for add-ons and modifications for their existing models," an RCA spokesman declared.

And producers have even taken the software phenomenon one step further:

"We expect to develop a large number of programs within our company. But we expect even more to be supplied by our own customers. We would then pay a royalty to that customer for each program we accept and publish," Adrian Byram, software manager, Commodore Business Machines, stated.

*In units, from Statistical & Marketing Forecast, Merchandising, May '78.

WARNING!

Fuzzbuster is launching its biggest-ever advertising/promotion campaign. Millions of sales messages with ads in Motor Trend, Penthouse, Field and Stream plus five more national magazines. Newspaper ads in 83 markets coast-to-coast plus a 75/25 Dealer Co-op campaign on top of it. Colorful, hard-hitting point-of-sale displays. Billboards on America's most traveled highways. And publicity on local and national television. This is the year Fuzzbuster is creating millions of sales opportunities for Fuzzbuster dealers. How's your supply? If you haven't seen the light of Fuzzbuster, remember — you've been warned.

Find out how you can profit from Fuzzbuster's sell-out performance. Contact: Network Marketing, Inc., 475 Park Avenue South, New York, N.Y. 10016 1-800-223-7452.

If it doesn't say



it's not a Fuzzbuster.

FUZZBUSTER II

UNTRAPS RADAR.

Manufactured by Electrolert, Inc., Troy, Ohio.

ment

Sales, Inc.
black-and-

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three-way
0v, on DC
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clock timer. The timer can also be set for wake up and the brightness of the digital numbers can be dimmed.

Melco Sales, Inc., 3030 E. Victoria St., M, Compton, CA 90221.

Atari

SUNNYVALE, CA—Atari, Inc. adds four new cartridges to its video computer system.

The games are: Basketball, Capture the Flag, The Maze and Wizard.

Atari, Inc., 1265 Borregas Dr., M, Sunnyvale, CA 94086.

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styled home entertainment center for \$1,195; two 15-in. portables with Philcomatic tuning at \$319.95 and \$349.95 and five 21-in. sets at \$439.95 to \$569.95.

Philco's black-and-white tv line features 100% solid-state circuitry and highlights a 9-in. AC/battery-operated personal portable with optional

Mattel

HAWTHORNE, CA—Mattel Electronics div. of Mattel Toy Co., debuts its Electronic Cartridge Video System, a programmable tv game retailing in the \$220-\$250 range.

The one-game-per-cartridge unit features games with complex playing situations, according to the company. Included are sports competitions, gambling cartridges and a math contest.

Production will be limited on Mattel's first programmable video game, which incorporates a numeric keyboard and a 360-degree controller.

Mattel Toys, 5150 Rosecrans Ave., M, Hawthorne, CA 90250.

Cases Inc.

GARDENA, CA—Cases Inc. is premiering Vid-Pro travel cases for video recorders for all ½- and ¾-in. models.

With a case exterior of fiberglass laminated to plywood, the units have steel corner protectors and all edges are bound with heavy duty aluminum





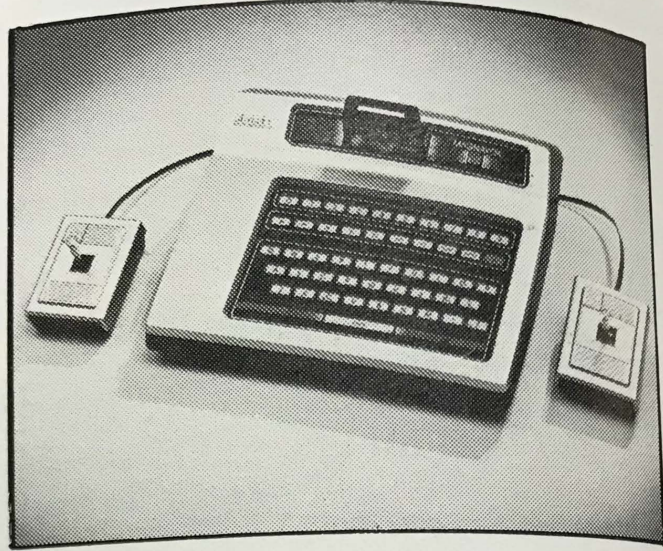
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Red Remote Control
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black-and-white portables; two
with FM/AM radio at \$179.95 and
nine color televisions from an unlisted
price to \$699.95.
*Panasonic, One Panasonic Way, M,
Secaucus, NJ 07094.*

Magnavox



Magnavox' first programmable game

FORT WAYNE, IN—Magnavox Consumer Electronics Co. is introducing its first programmable home video game—The Odyssey Computer Video Game System, model 7600.

Featuring a 49-position alpha-numeric keyboard which permits a wide variety of electronic, on-screen games, the unit retails for \$179.95.

Initially, nine programming cartridges will be made available, with a three-game cartridge included when the unit is sold.

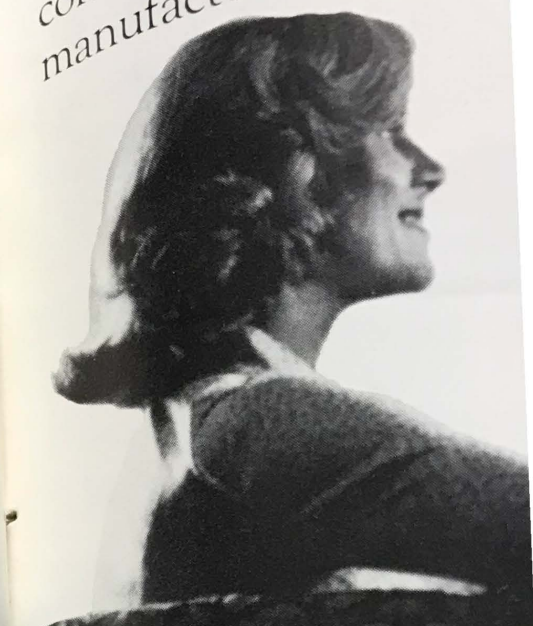
Magnavox Consumer Electronics Co., 1700 Magnavox Way, M, Fort Wayne, IN 46804.

Viewpoint

LARGO, FL—Viewpoint, Inc. is adding two models to its line, one a top-end unit.

The Tele-projection system consists

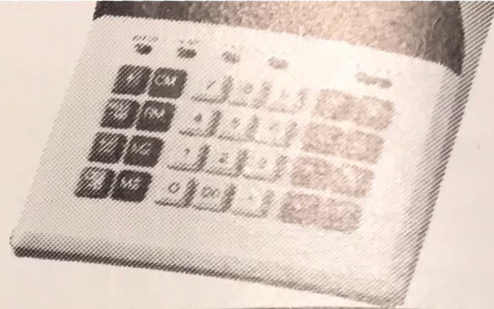
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introduced 11 other



APF's printer

calculators from \$7.95 to \$129.95.

APF Electronics Inc., 444 Madison Ave., M, New York, NY 10022.

Commodore

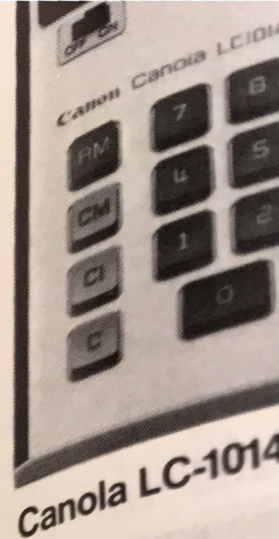
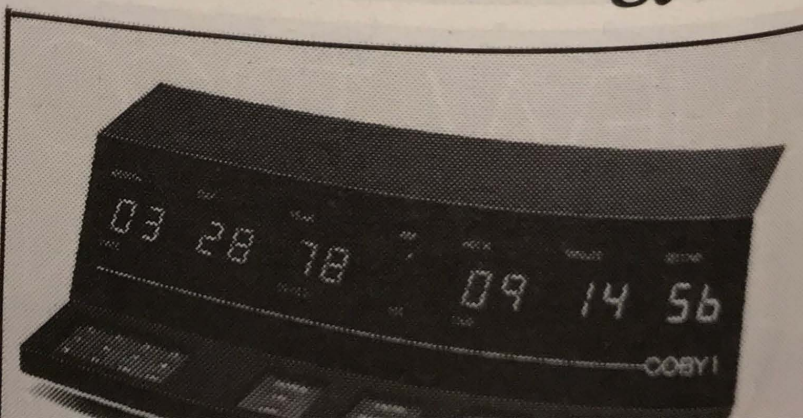
PALO ALTO, CA—Commodore Business Machines, Inc. has added two peripherals to its PET personal computer.

Added is an external cassette drive for expanded file keeping capable of read/write up to 170 kilobytes. It retails at under \$100.

The second peripheral, the printer, features up to 80 characters per line on a 8½-in. wide roll or fanfolded paper.

Commodore Business Machines, Inc., 901 California Ave., M, Palo Alto, CA 94304.

Energy Technology



our stereo
 Punch packs in the customers — and is
 ing new company sales records — with
 models from just over \$100.
 ride in our stereo at Booth 325.
 you come back you'll understand
 o many car stereo dealers across
 the country are rolling with
 the Punch.



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 Phoenix, AZ 85017,
 (602) 266-6792

at CES

verse functions... 95, their in-
 Sinclair Radio... ac., 115 E. 57th
 St., M, New York... 10022.

Parker Brothers



Parkers' P.E.G.S. game

BEVERLY, MA—Parker Brothers non-video electronics games assortment includes P.E.G.S. or the Parker Electronic Game System, allowing two players to sit on opposite ends of a double-sided electronic playboard.

The games system is programmed with three different levels of tactical skill, geared to the seven-to-adult age range.

Parker Brothers has also shown the Merlin game of six computer games and Code Name Sector, a submarine pursuit game.

Parker Brothers, 50 Dunham Rd., M, Beverly, MA 01915.

VideoBrain

SUNNYVALE, CA—VideoBrain Computer Co. is introducing six pre-programmed cartridges, including two financial management programs.

The VB-81 Financier program, at \$59.95, features 12 built-in financial formulas that automatically compute return-on investment, depreciation, mortgage cost, accumulated principal and interest, rule of 78, compound interest and others. It enables the user to change variables without chaining through the entire formula each time. The VB-81 is included free with all Family Computers.

Other cartridges include Money Manager (\$70), Timeshare (\$70), Lemonade Stand (\$29.95), Vice Versa (\$29.95) and Tennis (\$29.95).

VideoBrain Computer Co., 150 South Wolfe Rd., M, Sunnyvale, CA 94086. →

MERCHANDISING

Linda Ronstadt: "Maybe I never will

Grace Mirabella, very in Vogue.



Hollywood's Grandma Moses.

P: (l to r) Jay Wachi, general manager, consumer market; marketing communications; Ken Tamiya, exec. up, Sony Corp. president of the consumer products company; Kazuo Iwama, president and chairman of SCA; Akio Morita, chairman of Sony Corp., SCA, exec. up consumer products company; Mort Fink, president, SCA, exec. up product management and service, con-

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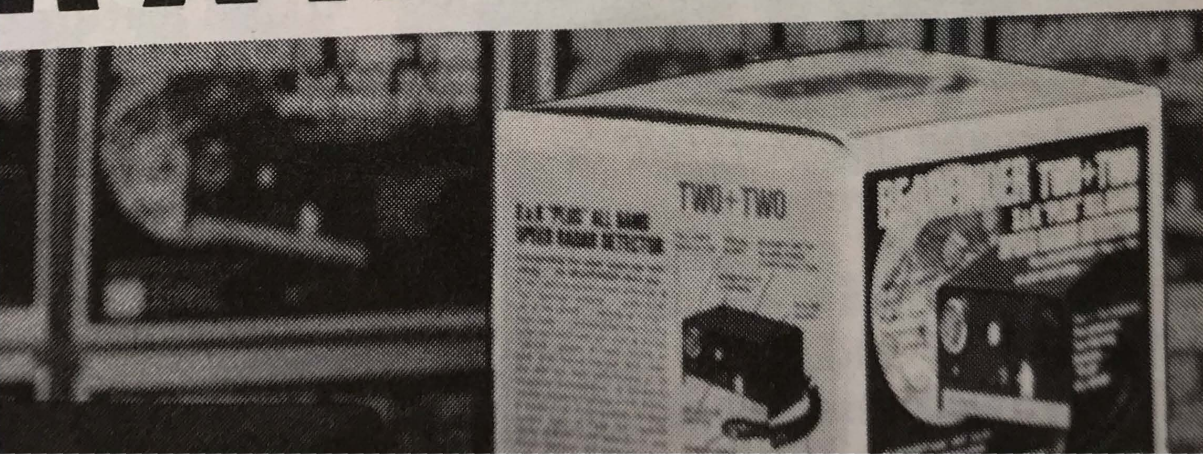
- The Sony distributors and key account dealers closed the convention with orders \$35 million more than those placed at last year's convention.

Meinken appointed Magnavox president

NEW YORK—Kenneth Meinken, Jr., has been appointed president, Magnavox Consumer Electronics Co., succeeding Alfred di Scipio, who resigned in April to "pursue another career opportunity."

Since 1969, Meinken, 56, had been president of Advance Transformer Co., another subsidiary of North American Philips Corp., Magnavox' parent firm. →

R X-K Two+Two



LEADING OUT AT RETAIL

A BILLBOARD PUBLICATION

JULY 1978

\$10.

WITH MORE

ON ITS MIND

Living

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HOUSEWARES:



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Some merchants are re-thinking the whole category. Said one lamenting competitors' low pricing: "If we can't maintain a margin on VTR, we just won't handle it."

Enjoying good success with home units, one video specialist commented: "We treat a VTR customer as if he were buying a Mercedes not a VW." The dealer attributes good sales, in part, to an aggressive advertising program, on-premises servicing and custom modification capability, such as the addition of wireless remote pause or continuous play controls.

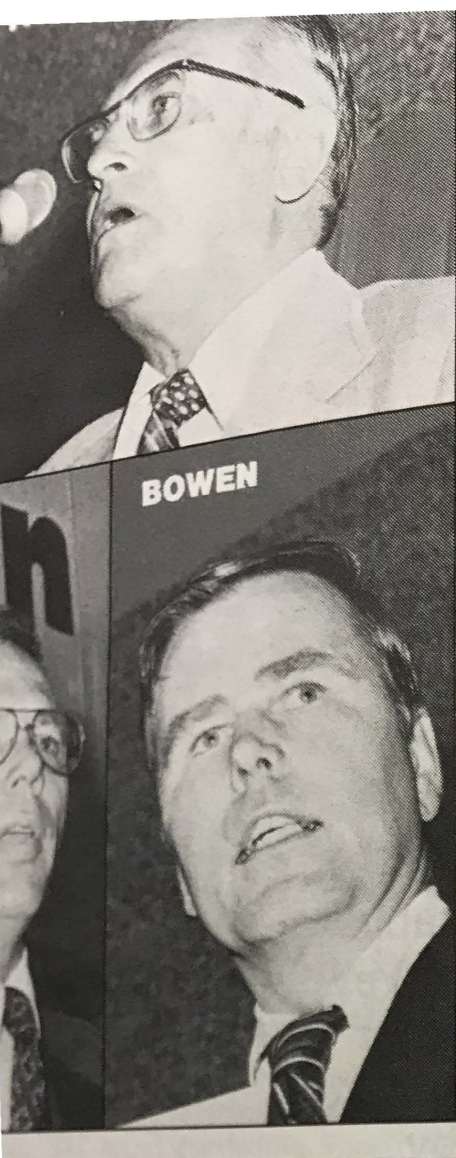
TV Games

July will emerge mainly as a month for clearance activity in tv games, following a slow spring. The harsh winter, say retailers, has caused consumers to eagerly seek a variety of outdoor pursuits as the weather warms, resulting in flat game sales.

Projection TV

New high performance projection tv systems have stimulated retailer interest, and many who had abandoned the business, disenchanted because of what they term poor quality units, say they plan to re-enter the field.

One line, or a few? That basically is contingent on available floor space, according to retailers. Some said they would focus on one high-performance system, carry lower priced single-tube models essentially as promotional



BOWEN

riod will show an explosion in the sale of life-size tv with improvements that will come about.

"If you are qualified to sell and service, if you want to be recognized as a leader among dealers in your area, then get into something that within three years will be a very big business, but come aboard conservatively.

"Audio and video are coming together and before long they all will be one.

"The step beyond projection will probably be flat screen. Even as it's resting, it may be able to serve as a decorative window showing sunshine or snow."

Bushnell: "The ping-pong (tv game) business is essentially over. Now we are in the second section of the marketplace—the programmable which is what this business is all about.

"There will be several hundred video cartridges in the future. We feel that the marketplace has just really started.

"Last year everyone was projecting about 8-million units sold. I believe that 5-million were actually sold because of industry supply. This year's video game market will be even stronger than the demand was last year and again there will be lack of supply. And there's a significant change in emphasis. Last year very few people knew a programmable system existed. Now 60% of the population knows what a programmable game is and has made the decision that the next system they will buy will be a programmable.

"The tv games business is the entre to the communications center (computers, etc).

"This year we are at total capacity building the product line for this year, and we don't have the factory space to use for new product. This year we spent \$13 million on research and development—the next shoe will fall next year."

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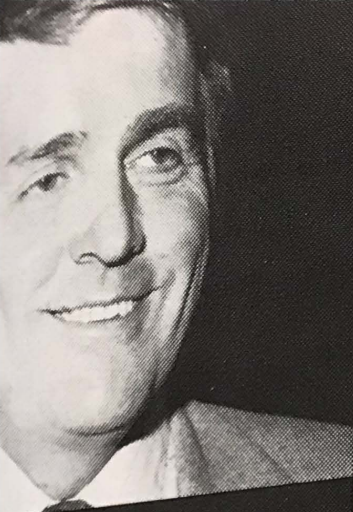
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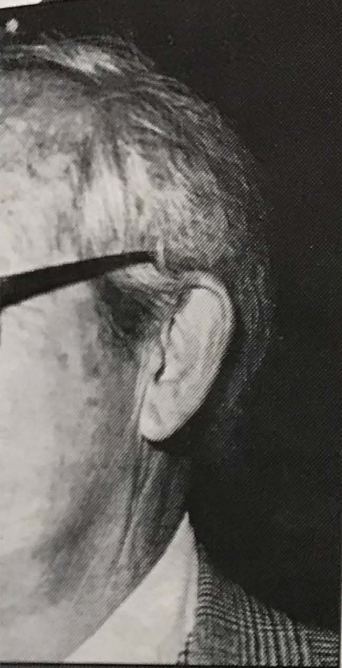
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MERCHANDISING



sense the technological developments by going around the esoteric exhibits here at the show. . . . We feel that standards problems will slow the development of new tape recorder products. . . . We (the esoteric firms) will, I suspect, continue to lead technically."



Fairchild redesigns Channel F, cuts price

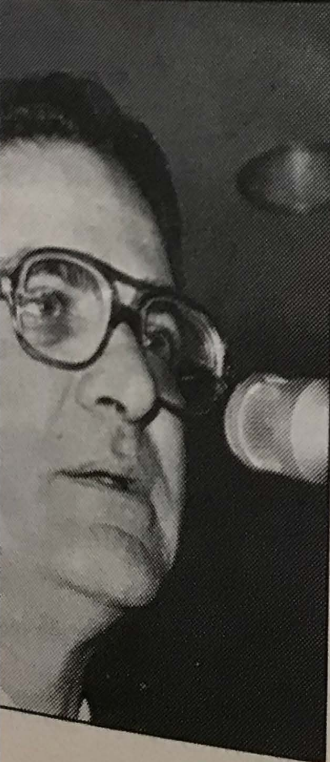
CHICAGO—Fairchild has redesigned its Channel F programmable video game console and dropped the price \$20 to a suggested \$149 retail.

Channel F System II features detachable 8-ft. hand controls and 10-ft. console-to-tv cord. In addition, the unit incorporates FM sound played through the tv receiver's speaker rather than through the game console. Four new standard game cartridges have also been introduced at \$19.95 each, available in August.

Another addition to the Fairchild system is an optional plug-in 16-button keyboard used with a new series of Videocarts capable of being programmed for game variables such as speed of players or type of play. The keyboard plugs into the game cartridges, which include Space Odyssey, Pro-Football and Casino Poker. The keyboard attachment retails for \$9.95; keyboard cartridges are \$24.95 each.

Fairchild has also signed Milton Berle as its advertising spokesman for the fourth quarter when the company plans a heavy spot tv and national magazine schedule. →

MERCHANDISING



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Home video products spark lots of retailer excitement

CHICAGO—Home video products—VTR, programmable tv games and projection tv—are generating a high level of excitement among retailers, who are taking advantage of the generally slow summer months to shape their fall merchandising programs.

This is the picture that emerged from the June CES, when merchants flocked here to see the newest in VTR decks and accessories, sophisticated microprocessor game consoles and cartridges, along with high-performance projection tv systems shown by major manufacturers.

While an overview of the retail VTR scene shows a fairly quiet market this time of year as wary consumers wait for further price drops, there are merchants enjoying very healthy sales.

Sonny Cohen of Videodyssey, Deerfield, IL, for example, reports no letup in strong VTR movement. He says "videotape recording is perfect for the summer when people have even less time to watch tv."

And Chicago's Polk Bros. chain is "doing a big job" in VTR, according to president Sol Polk. The retailer says he is buying heavily, broadening his lines and "adding whatever the market takes. VTR gives consumers the gift of time," notes Polk.

Brisk fall for VTR

Merchants predict a brisk fall business in VTR decks and accessories, and in increasing numbers, are solidifying plans to carry prerecorded software. Hardware pricing is expected to decline further in the coming months, getting possibly as low as \$500 for a standard 4-hour unit, according to retailers. However, the introduction of higher priced stepup models has eased much of their concern over rapid price deterioration.

Morris Gliklich, Magna-Mart, Linden, NJ, who projects VTR to trigger additional color tv sales this fall, calls the category "a sleeping bear that will wake in September. Right now it's hibernating," he comments. "VTR is a product to catch onto. I put a lot of hope in it."

At Caldor, Norwalk, Conn., Bob Roderman notes a recent "pickup" in VTR sales. The retailer plans to begin merchandising prerecorded tape this summer.

Programmable tv games

Merchants searching programmable tv games at the show found a few new or revamped units, some price reductions and an array of new cartridges.

JVC shows \$850 video color camera

CHICAGO—The color VTR camera battle heated up at the CES last month as US JVC Corp. introduced a portable color video camera priced at \$850.

Delivery of the new Vidstar camera is slated for this month. It's essentially the same camera as the one recently announced by Magnavox at \$895.

In its basic \$850 version, Model G-31 comes with fixed 25mm "C" mount lens (f1.8) and optical viewfinder with three LED indicators. The Model G-71 version is equipped with auto iris 6:1 zoom lens (f2.0) and 1.5-inch electronic viewfinder with three LED indicators and is priced at \$1,250.

Christmas holiday game sales are expected to be strong, but current business centers mainly on programmable software. Troubled by previous mass merchant price-cutting, many department stores and independent dealers are becoming increasingly cautious about the distribution policies of the manufacturers from whom they buy.

"We can't afford to carry anything we can't make a profit on," says Sally DeFonzo, Channel One, Medford, NJ, who, having dropped one line, is looking for games "that will be kept out of mass merchants."

The buyer for a major West Coast department store anticipates 1978 game sales to score higher for department stores than last year. "Not a blockbuster year, but better," he predicts.

Home computer competition

Some retailers say home computers are starting to cut into programmable game sales with consumers' growing interest in units that can also provide computer capability. Retailers indicate they try to counter this by telling an "exciting story" about new game cartridges and innovations.

"Cartridges are terrific," says Videodyssey's Cohen, who has a heavy buying program in microprocessor-based games. "Games do have a certain amount of seasonality because people buy them as holiday gifts, but there are also other occasions all year long like birthdays and anniversaries. Some of our customers are even buying games as bar mitzvah and wedding gifts—and the cartridge business knows no season."

Significant improvement in games' deliveries is expected this year compared to slow shipments both in 1976 and 1977. Says a spokesman for Fred Meyer, Portland, OR: "Games will be a more mature and disciplined business this year."

New projection tv

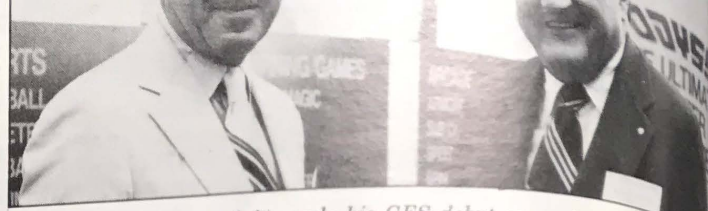
High-performance projection tv systems from major manufacturers garnered huge interest at last month's CES, and while, for the most part, few suppliers accepted orders there, many merchants say they have firm plans to take on at least one of the new systems.

Drawing cheers from Mike Moore, Townhouse TV, Chicago, he said of the new bright entries: "You can watch them in a real room instead of a whale's belly."

However, some retailers said they were disappointed with what they found at the show. States one East Coast independent, remarking about "lack of brightness and ugly furniture": "We came here thinking we would get into projection, but we're going home to wait and see what next year brings."

The burgeoning market in projection, though, is having strong appeal for audio specialty stores, many of whom intend to expand into the category.

Claude Wolfe, Wolfman Stereo, Orlando, FL, says: "Projection tv and VTR are the coming things. An audio store has to become more diversified now."



Kenneth Meinken (left) made his CES debut as president of Magnavox Consumer Electronics Co. With him is Ken Ingram, senior vice president.

Meinken says rapid technological changes pressure tv manufacturers, add to rivalries

CHICAGO—Kenneth Meinken, at his first CES as president of Magnavox Consumer Electronics Co., said that rapid technological changes are putting tv manufacturers under tremendous pressure and are intensifying competition within the industry.

Calling this one of "several areas of concern within the industry which are important to Magnavox," Meinken also stated that the tv industry wasn't achieving profit levels that it should and that the industry's low return on capital investment has placed it in an "improbable position."

Nevertheless, he said Magnavox plans to "continue as the profit leader in the industry."

In addition to its new \$895 color VTR camera (see Product Picture, p. 140), the new Magnavox line includes a programmable video game, new 9- and 10-in. screen sizes in color tv, along with cabinet restyling of some current color tv models, new chassis in all 19- and 25-in. color tv receivers, six new modular stereo systems, eight new console stereo models, and the addition of a clock radio and multiband radio to what Magnavox expects to be an expanding small product lineup.

The Odyssey 2 video game (Model 7600) features 49 position alphanumeric keyboard and nine programmed cartridges at \$179.95 each. Eight optional cartridges are available with suggested retail prices ranging from \$19.95 to \$24.95.

All of the company's 19- and 25-in. color sets will be produced with a new chassis and new 100-degree in-line picture tube. The Star system and Touch-Tune models feature a new high resolution filter circuit which Magnavox claims increases the video resolution on the tv screen by 25%. According to Magnavox, the number of horizontal lines of video resolution increased from the current 260 lines to 330 horizontal lines with the new circuit that provides a mutual separation of the chroma and luminance information on the tv broadcast signal.

Ken Ingram, senior vice president for sales and marketing, said he thought it would take "a lot of selling effort and promotion to get the video cassette recorder market off the ground in big numbers." He predicted a 500,000-unit sales level year in 1978, climbing to at least 650,000 in 1979.

Independent hifi specialty stores win palm as place to buy audio in Newsweek study

CHICAGO—Where do people buy their stereo equipment?

According to a market survey conducted last November by *Newsweek* magazine, half the owners of stereo equipment said their last purchase was made at an independent audio specialty store. The next most mentioned outlet was the department store, cited by 22% of the owners.

Karl Oesterle, industry manager for home electronics at *Newsweek*, who presented the survey's findings at CES here last month, also pointed out that the place of purchase is heavily influenced by the type of system owned and the value of the system owned. Component owners, for example, cited audio specialty shops significantly more and department stores significantly less than did console and compact owners.

As the cost of the stereo system increased, the incidence of audio specialty shop purchasing increases, according to the study. Owners whose systems cost \$300-\$700, last purchased

in an audio specialty shop to a significantly higher degree than those whose systems cost less than \$200. Also, respondents whose systems cost more than \$700 mentioned audio shops substantially more often than owners whose systems cost \$300-\$700 or less.

35-49 shop dept. stores

Department stores become a more important factor to the purchase of stereo equipment among those 35-49 years of age, *Newsweek* found.

Only department, discount and furniture stores, along with "private party," are listed under the question "Where last stereo equipment was purchased." Such outlets at audio specialty, catalog showrooms and electronic specialty stores are not mentioned.

Among the survey's other findings:

- A higher proportion of console ownership was reported by the 35-49 year-old group, while 18-24 year-olds reported a higher proportion of inexpensive compact system ownership.

- The percentage of owners who actually changed systems in the past year (that is, purchased new equipment) is highest in the 25-34 year-old group, 68% of them changed systems in the past year as compared with 54% of the 35-49s and 54% of 18-24s.

- Component owners and owners of equipment worth \$700 or more changed equipment more often than others.

Mattel postpones video game entry

HAWTHORNE, CA—Mattel Inc. has delayed its introduction of its programmable video game until 1979, according to a company spokesperson.

Introduction has been scheduled for the Consumer Electronics Show here.

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Happenings At the CES

Personal Computer Conference

PERSONAL COMPUTERS—Bob Richardson, SRI (formerly Stanford Research Institute); John J. McDonald, Casio Inc.; Vern Raburn, GRT Corp.; Bob Wiles, Consumer Products Group, Bally Mfg. Corp.; Rich Melmon, VideoBrain Computer Co.; Mike Markkula, Apple Computer Co.; and Chuck Peddle, Commodore Business Machines.

Richardson: "The home computer market is intertwined with the hobbyist and small business applications, but the unit combines two things desirable and necessary in consumer durable goods—to significantly increase an individual's productivity by decreasing the time associated with any given task; and the capacity and flexibility to directly improve quality of life—in entertainment and education."

"Another issue is standardization of software. This will have profound effect on the rate of development and eventual size of this home computer market. . . . With adequate software—now secondary to games—educational uses will enable computing adults to make informed choices about cultural, sporting events, store sales, which roads are open, teaching various subjects, supplementing the education of children of mothers who work."

"Also, there is the potential of controlling the environmental and security aspects of the home itself, as well as doing the family budgeting, finances and taxation, kitchen inventory, and shopping."

Markkula: "Over 100 companies are, or have announced their intention of participating in the personal computer market. The product is not just

a physical entity but includes its price, delivery, image of the company, perceived expectations of service after the sale, availability, (merchandising) support, and peripherals. All of these must be considered in the purchase."

"Products now available now range from under \$500 to over \$2000, and a performance range from no-user programmability and minimal expandability to complete full-blown computing power with full attachability and a broad line of peripherals. There are several I consider viable products that a retailer could consider carrying."

Peddle: "Applications range everywhere from playing checkers on up. It's an educational tool. We're only seeing a small percentage of the things that can be done. You'll no longer be able to sell just the machine. The easiest add-on is putting on more than one cassette, which permits recording data and making corrections."

"The most exciting is the floppy disk. Cassettes have limited data access. The disks have the capability to recall data quickly. It's a random access device. Once you've got random access service control you can then do general ledgers, maintain a set of books for yourself, your office; you can do educational things."

Wiles: "To properly position the extension of the video game in the rapidly expanding personal computer market, we should review the consumer's needs and wants of the programmable video game. A recent study of dealers indicates that 75% consider as important to the consumer the capability of programming your own game, and 42% want them 'expandable to a home computer' at a later date."

"Bally's BASIC is a self-teaching system for making your own computer video game. The common denominator is technology, the development of the microprocessor or computer on a chip. It enabled the video game to be expanded to anything the consumer wants, in time, if he's willing to pay for it."

"Let me offer a perspective to the evolution of the home computer market. The programmable video game market demand is expected to reach between 2-2.5 million units in 1978, while the personal computer market is

estimated at one-tenth that size—250,000 units for the home as well as small business. I think that ratio is valid for the next several years and it would be prudent for all of us to understand what the consumer wants."

"Most people cannot program a computer and are intimidated by a computer and there are not really many practical applications, and home application software is non-existent. Yet our research indicates a perception on the consumer's part that the home computer will help solve the complexities of our life style. They place on their list of product specifications ease of use as the No. 1 priority, followed a reputable sound brand name."

"The fact that the video game is hooked to the customer's television set also lends acceptability and credibility to the concept of expanding the video game for simple computing functions as well as eliminating the need to purchase an expensive color tv monitor, and he also normally owns a cassette recorder for storage of his own programming plus those that will be available."

Melmon: "In merchandising personal computers, we have to create in people—like selling water to a thirsty desert traveler—a perception that they really want this kind of a product. To do that we have to recognize there are different types of buyers. I classify four—the hobbyist, who talks in the jargon of RAMs and ROMs, bits and bytes and floppy disks; the engineering, scientific type; the small business and professional type, and the true consumer who doesn't really fall into any of the other categories."

"Retailers taking on this product category have to recognize there's a big split in most large retailing organizations between the buying and selling operations. Having an enthusiastic buyer is not sufficient to get the product sold. Stores have got to provide the cooperation that's necessary with the manufacturer, setting up counters correctly, clerks have to be made available for training."

"I think the use of intense advertising is going to be some time in coming in this industry, at least when compared with the type that's used for soap and cosmetics and other mass

market products. The important thing is to recognize who the customer is and focus on who's likely to buy in the near term rather than to attempt to sell to a broad range of consumers by simply running a co-op ad in a metropolitan newspaper to pull people in and look at the machines."

Raburn: "We're trying to expand a market which today is a hobbyist market to a consumer market. What I think is perhaps the most exciting entry into the field of home entertainment since the advent of stereos is the marketing of prerecorded software, with much the same potential as the stereo recording industry. Just as stereo equipment mandates stereo records and tapes, likewise consumer computers mandate consumer software."

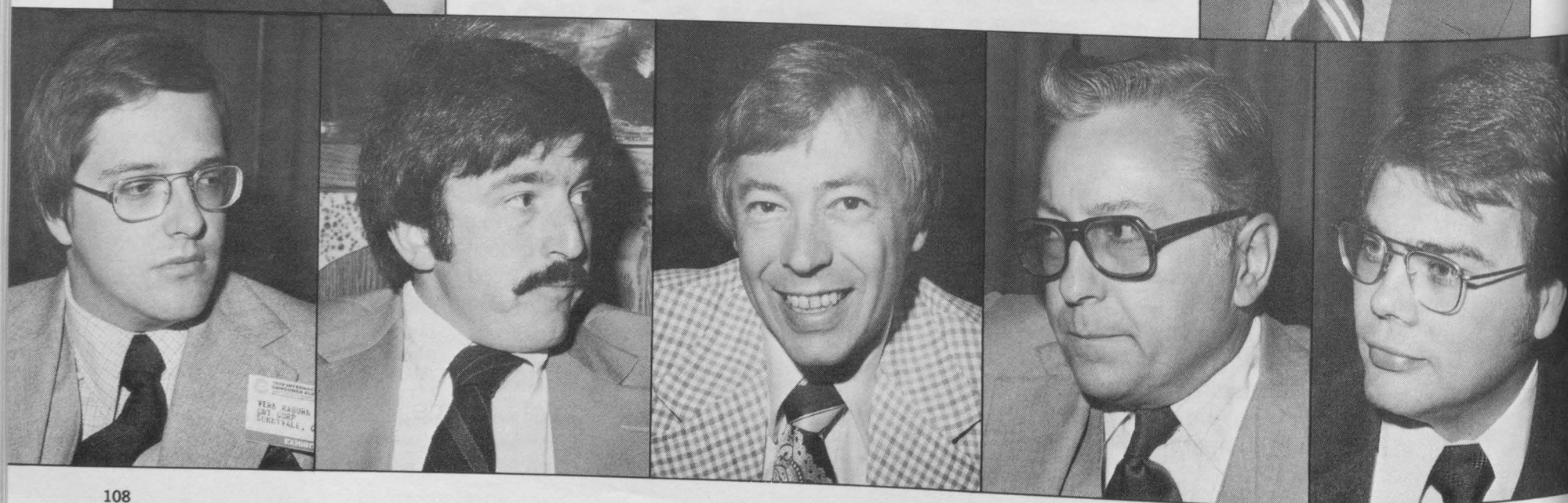
"But while the audio customer today is familiar with, and often asks first, what the power rating in RMS watts is, this educational process also has to occur in consumer computers. We have to eliminate the mystery of computers and software."

McDonald: "The watch and calculator survivors are enjoying a very profitable year. Competitive pressures have generated great changes and many new models. Calculators are used by all age groups and all social levels. The product has a 4-year 'practical life' after which the user moves on to a new model. The swing to LCD calculators continues at a rapid rate."

"The average sale is now \$30 versus \$12.95 two years ago, another sign of market maturity. We expect a strong back-to-school and Christmas season and that the industry will exceed 23 million pieces in 1978. Digital watches use the same technology as calculators. This year they will account for about 17 million units or 27.6% of the 65-million U.S. watch market—60-65% will be LCD, with LED mainly employed in under-\$19.95 watches and 40% of the LCD's will retail between \$50 and \$100."



The Personal Computer Conference included Chuck Peddle, (left); John McDonald, (right); and (below, left to right) Vern Raburn, Rich Melmon, Mike Markkula, Bob Wiles, Bob Richardson.



MERCHANDISING

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Once again, *Bearcat* Scanners lead the way to a whole, new area of selling excitement.

With an all new, exciting, hand-held Scanner, the *Bearcat Four-Six*. The most versatile, portable Scanner on the market.

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Add to all this volume and squelch



controls, man/scan switch, a flexible/all band "Rubber Ducky" antenna, and belt clip. And you've got a hot little seller on your hands.

And a prime opportunity to make a whole, new world of profit. In your hand. Since *Bearcat* invented the whole, exciting world of scanning, we've kept busy, making the whole business better and better for you.

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Rush details on the new *Bearcat Four-Six* Hand-Held Scanner, please.

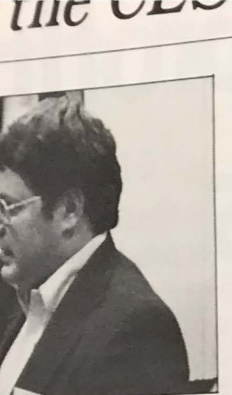
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MR-778



Personal computers almost ready to enter mass market

CHICAGO—"It's only a toddler," said one retailer. But from activity at the Summer CES, it was evident that the personal computer is primed to move from the toddling stage to the mass market.

From eve-of-show introductions to the closing, "home" or personal computers were attracting heavy interest.

Retailers, however, from audio specialists to discount and department store chains, expressed caution about the relatively new high-end category,

which might be just as well, given the generally tight availability that exists on hardware and even more so on software.

Lack of adequate programming material was cited by most retail sources for their caution in moving into the field.

Ray Mufson, general merchandising senior vice president of Miami's Jefferson Stores chain, indicated interest but caution, although he noted that "our parent, Montgomery Ward, is in it."

Several other department store and audio dealers said they were "just looking."

Many audio dealers reflected the thinking, like that of Ernie Leonard, who operates Lafayette Radio Electronics in Goldsboro, NC, that "right now, it's a hobbyist market. After there's some standardization and the market broadens, that's when I'll get in."

Report good activity

George Thiel of Audio Specialists, a South Bend, IN, retailer with three other stores in Texas, said: "We've sold enough in the nine months we've been in this market to get us thinking about opening a fifth store. We get them coming off the street; there seems to be a lot of people willing to pay \$795 for a system."

Also reporting good activity was a computer specialty shop operator, Patrick Terrell, president of the four-store Byte Northwest, Beaverton, OR, who has been selling computers for three years. Byte's customers have been principally hobbyists and small businesses, but the store has broadened its appeal by running, two-nights-a-week, five-week seminars on computer usage to groups of 25 at a charge of \$35 which can be applied toward an equipment purchase.

According to Terrell, systems in the \$500-\$600 price range are particularly applicable to home use, but he also plans to carry the new programmable Bally Mfg. Co. model listed at \$295 as another entree to the home market. "It's pretty important that units be programmable," said Terrell.

On the manufacturing side, Apple Computer Inc. announced a tie-in with Dow Jones. By linking the Apple II computer to local DJ offices via telephone, users can obtain stocks and bonds quotes and news headlines for a one-time fee of \$25, plus \$3 for the first three-minutes of the call and 50 cents for each minute thereafter.

Some new entries

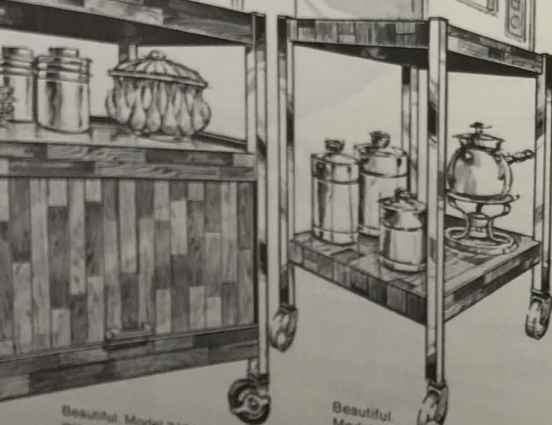
Interact Electronics, a new entrant to the field, based in Ann Arbor, MI, unveiled its system at the CES, which marketing vice president Jay Schude said would be marketed through distributors beginning in September at a suggested retail price of \$449.95.

The Interact unit features include a 53-key typewriter-like keyboard, built-in cassette deck for memory storage, joystick controls and music synthesizer. The unit connects to a standard tv set.

Teal Industries demonstrated a small computer produced by its Japanese parent. This unit is being offered on an OEM basis, but Teal officials indicated it could be added to Teal's calculator distribution channels as early as next year.

microwave manza.

the other half.



Beautiful, Model 3465, Deluxe microwave oven cabinet. Warm simulated wood-grain plank vinyl. Brushed chrome. Disappearing door conceals large storage area. Locking casters.

Beautiful, Model 3445, Brushed chrome and simulated wood-grain plank vinyl.

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ws appliance carts better
or has built them longer

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customer appeal you
ve got it all.
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ATLANTA

July 16, 17, 18
Northlake Hilton Inn
4156 LaVista Road
Atlanta, Georgia

BOSTON

July 25, 26, 27, 28
Sheraton-Tara Hotel
Mass. Turnpike at Route 9
Framingham, Mass.

CHARLOTTE

July 12, 13
Holiday Inn-Woodlawn
212 Woodlawn Road
Charlotte, N.C.

CHICAGO

August 1, 2, 3
Lincolnwood Hyatt House
4500 Touhy Avenue
Lincolnwood, Illinois

CINCINNATI

July 18, 19, 20
The Hilton Inn
1-275 at U.S. 42
Sharonville, Ohio

CLEVELAND

August 1, 2, 3
Holiday Inn
6001 Rockside Road
Independence, Ohio

DALLAS

August 15, 16, 17
LeBaron Hotel
1055 Regal Row
Dallas, Texas

DENVER

August 8, 9, 10
The Landmark Inn
455 South Colorado Blvd.
Denver, Colorado

DETROIT

July 25, 26, 27
Troy Hilton Inn
15 Mile Road &
Stephenson Hwy.
Troy, Michigan

KANSAS CITY

August 1, 2, 3
Breckenridge Inn
(at Executive Park)
1601 N. Universal Ave.
(I-435 at Front Street)
Kansas City, Missouri



A WHOLE NEW MAGNAVOX FOR '78 IS COMING TO YOUR TOWN SOON.

ATLANTA

July 16, 17, 18
Northlake Hilton Inn
4156 La Vista Road
Atlanta, Georgia

BOSTON

July 25, 26, 27, 28
Sheraton-Tara Hotel
Mass. Turnpike at Route 9
Framingham, Mass.

CHARLOTTE

July 12, 13
Holiday Inn-Woodlawn
2 Woodlawn Road
Charlotte, N.C.

CHICAGO

August 1, 2, 3
Linwood Hyatt House
Touhy Avenue
Linwood, Illinois

CINCINNATI

August 19, 20
Hilton Inn
at U.S. 42
Cincinnati, Ohio

CLEVELAND

August 1, 2, 3
Holiday Inn
6001 Rockside Road
Independence, Ohio

DALLAS

August 15, 16, 17
LeBaron Hotel
1055 Regal Row
Dallas, Texas

DENVER

August 8, 9, 10
The Landmark Inn
455 South Colorado Blvd.
Denver, Colorado

DETROIT

July 25, 26, 27
Troy Hilton Inn
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Stephenson Hwy.
Troy, Michigan

KANSAS CITY

August 1, 2, 3
Breckenridge Inn
(at Executive Park)
1601 N. Universal Ave.
(I-435 at Front Street)
Kansas City, Missouri

LOS ANGELES

August 7, 8, 9, 10, 11
The Magnavox Company
2645 Maricopa Street
Torrance, California

MEMPHIS

July 30, 31
Travelodge Perimeter Park
2490 Mt. Moriah Road
Memphis, Tennessee

MIAMI

July 23, 24, 25
Sheraton River House
3900 N.W. 21st Street
Miami, Florida

MINNEAPOLIS

July 25, 26, 27
Marriott Inn
1919 E. 78th Street
Bloomington, Minnesota

NEW YORK

July 11, 12
Holiday Inn
440 W. 57th Street
New York City, N.Y.

PHILADELPHIA

July 26, 27, 28
Mount Laurel Hilton
Route 73 & I-295
Mount Laurel, New Jersey

PITTSBURGH

August 15, 16, 17
Sheraton Inn-On the Mall
101 Mall Boulevard
Monroeville, Pennsylvania

SAN FRANCISCO

August 1, 2, 3
Dunfey's Royal Coach Inn
1770 South Bayshore Blvd.
San Mateo, California

SEATTLE

July 25, 26, 27
Sea Tac Red Lion Inn
18740 Pacific Hwy. South
Seattle, Washington

ST. LOUIS

July 18, 19, 20
St. Louis Hilton Inn
10330 Natural Bridge Road
St. Louis, Missouri

WASHINGTON, D.C.

July 18, 19, 20
Marriott Twin Bridges
Route 395
Washington, D.C.

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CHICAGO—A. I. Driscoll, chair-
man of the board of Vermillion, Inc.,
has been elected president of the Na-
tional Housewares Mfrs. Assn.

Other officers elected for the 78-79
season are G.W. "Bill" Orr, chairman
of the board of Oster Corp., vice presi-
dent and John S. Hamilton, chairman
of the board of Wear-Ever Aluminum,
Inc., treasurer.

Conic exhibits new programmable game

CHICAGO—A programmable tv
game was exhibited at CES but only
"for buyer reaction," by Conic Inter-
national, Inc., Elizabeth, NJ-based
subsidiary of Hong Kong's Conic In-
ternational Ltd.

Irwin Albert, executive vice presi-
dent, said there were no immediate
plans other than testing show reac-
tion. Albert says Conic has added two
electronics lines—two telephones and
12 LCD watches—to its recorders and
radios and is expanding its rep net-
work to the Midwest and West.

Magnavox expands VTR bonus promo

FORT WAYNE, IN—Magnavox
has added seven Elvis Presley movies
and a series of Terrytone cartoon fea-
tures to its "box office bonus" retail

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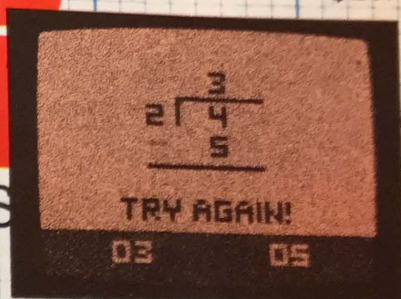
A BILLBOARD PUBLICATION

Merchandising

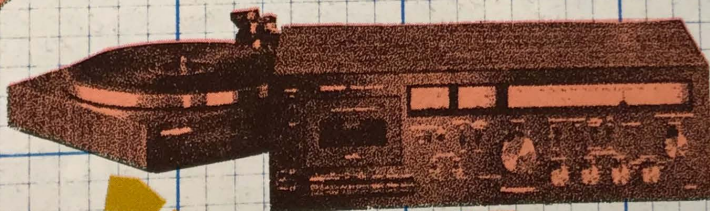
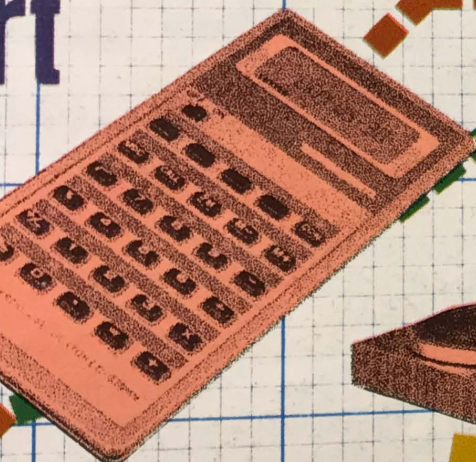
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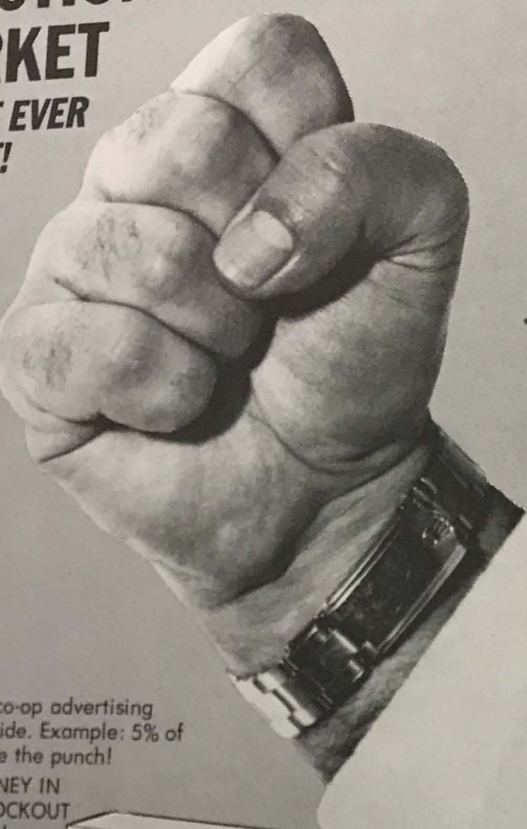


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ERICA PRESENTS
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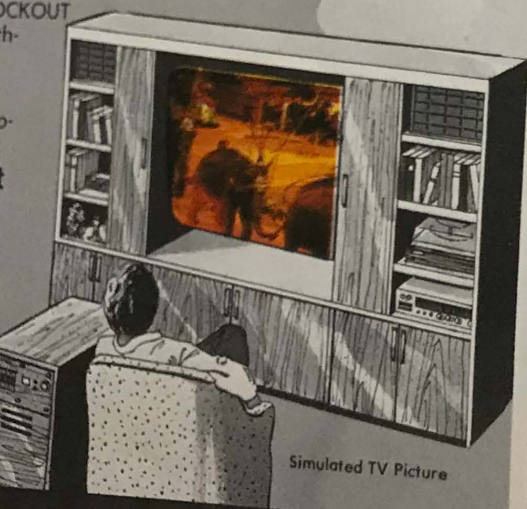
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Simulated TV Picture

Street • North Wales, PA 19454

Videotape
The end of this month should bring the beginning of a real upswing in VTR, now moving at a moderate rate, according to retailers. Summer sales, however, have been given somewhat of a boost by rebates and other manufacturer bonus offers.

Merchandisers are growing increasingly excited about the "home movies" aspect of video recording and see great sales potential among photography buffs, as well as television enthusiasts. Under-\$1,000 color cameras, to be available this fall, along with portable recording units are viewed as sure to stimulate the home VTR market.

Some merchants are sowing the seeds of future sales by mounting VTR demonstrations, complete with camera usage, for selected groups of consumers at locales other than their stores. Having successfully employed this method at women's gatherings when microwave ovens were initially introduced, these retailers are now explaining what is believed to be basically male-oriented video recording to groups of men at CB rallies, for example, or for volunteer fire departments.

As for the present, while many retailers are this summer actively promoting VTR, a number of discouraged merchants have postponed putting dollars into advertising a product they say is moving too slowly to warrant the expense.

TV Games

Previously burned by price erosion, many retailers are nonetheless reassessing the programmable games market, their interest rekindled by the debut of at least one sophisticated cartridge-type model, in addition to new games modules introduced at the June CES.

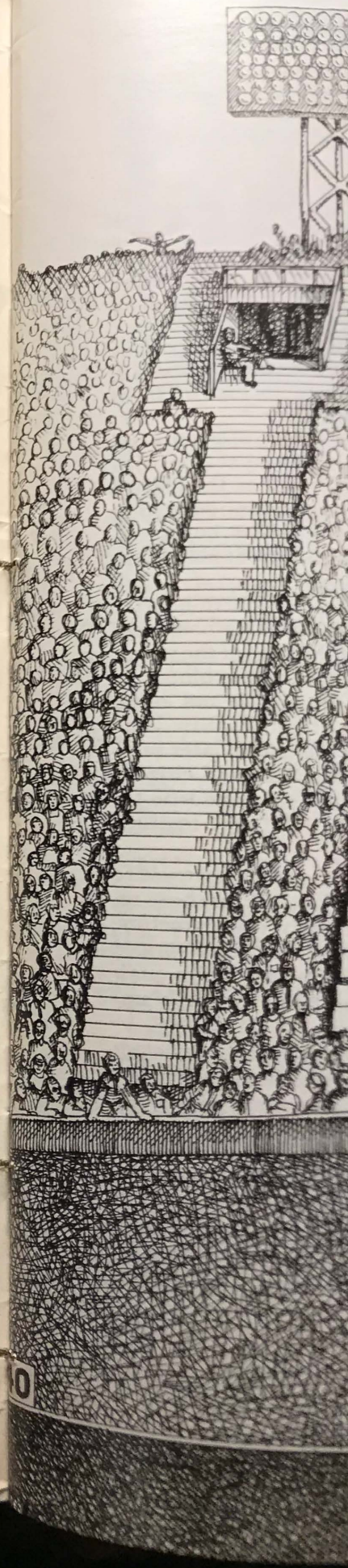
Labeling video games extremely seasonal—summer sales are generally poor—retailers are centering their buying activities around the Christmas holidays, this product's time to shine.

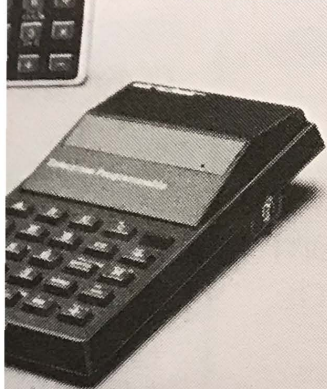
Projection TV

"If you're in the tv business, you have to go with it. Projection is the next step."

That's the feeling expressed by many retailers who plan to offer projection systems this fall. They stress that what they expect at the outset is not high sales volume but the chance to use projection as a traffic builder, "a conversation piece," that will create word-of-mouth advertising and maintain an innovator image in their marketplace.

MERCHANDISING





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s, Encino, CA. 213-
12-241-4521; Phil

chalk up 40% of total sales. The second largest share of market should be held by department store, 20%, followed by video specialists, 15%.

In blank videocassettes, projections call for sales to reach 5,300,000 units. In line with the above, most consumers will buy blank videotape at the appliance/tv store (45% of total sales), while department stores will sell 15% and video specialists, 13%.

However, pre-recorded video-cassettes, of which 165,000 units are expected to be sold, will be moved best by mail order houses, selling half the total. Department stores will account for 20% of all sales; video specialists, 15%; and appliance-tv stores, only 10%.

Tv games

Producers look for a 6.1% sales rise in tv games this year, to a total of 5,750,000 units compared to 5,420,000 in 1977. All the growth will come from programmable units, pegged for a more than three-fold increase: 550,000 units vs. 1,750,000.

With the marketing moving strongly to programmables, dedicated chip models are expected to drop 17.8% in sales to 400,000 units from 4,870,000.

Average prices will be down by \$5 on both programmable and dedicated chip games, \$120 and \$35, respectively.

Continuing to take over the market, discounters are anticipated to sell the most video games in 1978 (35% of the total). Department stores will carve out the second biggest chunk with 30%.

Projection tv

With major manufacturers now marketing high-performance models, the projection tv business should see substantial growth this year, as sales swell to 42,000 units vs. 20,000 in 1977.

Most systems (40%) will be sold by audio specialists, while the video specialists will account for 30% of sales, department stores and appliance tv dealers, 15% and 10%, respectively.

Functionality may be on the rise, but prices are on the way down. Digital watch prices under \$50 are estimated to garner 76% of the industry while the \$100 and up sales go below the 10% mark.

Men's styles continue to dominate the digital watch scene, with 80% LED and 75% LCD units aimed toward men.

More than half of all digital watch sales are sold as gifts, the same as last year.

Personal computers on the way

Personal computers, the infant industry on the personal electronics scene, are evident in selected stores around the country with expectations for a maturing market in the next two years.

Sales for 1978 are estimated at 180,000 units, mostly sold by the hobby shop. Department stores, the next logical distribution step for personal computers, are slated for a 13% portion of the market with the audio specialist next at 10%.

Manufacturers indicate that they will be moving personal computers in the \$500-\$600 category and \$601-\$800 sector close to 70% of the time. With prices expected to drop as personal computers become a mass market item, the dominance of the lower prices should continue.

New market for phones

Telephones, now available through retail channels to a greater extent than ever before, are expected to hit

Phones and Pho

Product

Telephones

Phone Answerers

Answerers Sales by

Store Type

Appliance/tv Store

Dept. Store

Discount Store

Catalog Showroom

Catalog Chain

Audio Store

Phone Specialist

Are you getting your own MERCHANDISING every m

has been... each company, each share of Thalheimer's common stock will be exchanged for 0.975 shares of Carter Hawley Hale common stock.

Carter Hawley Hale operates 87 full-line department stores through The Broadway, Emporium, Weinstock's, Capwell's and John Wanamaker, Philadelphia divisions.

In 1977, CHH reported sales of \$1,371,703,000 and net income of \$41,969,000.

Atari planning home computer

SUNNYVALE, CA—Atari is working on a personal computer for 1978 introduction, according to Michael Shea, director of marketing.

"Atari's current video games will be quite elementary in comparison to what we're planning," Shea said.

AUGUST, 1978

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Statistical and Marketing Report

A BILLBOARD PUBLICATION

SEPT. 1978 \$10

Merchandising

WITH MORE THAN TODAY ON ITS MIND



CHANGING

Still, many retailers have this fall taken on at least one large-screen system with the thought that, "if the market does take off this year, I don't want to miss it."

Some, citing early price cutting on new 3-tube models, complain of the already deep discounting on a product manufacturers cannot yet even deliver.

Among merchants' objections to projection systems:

- Difficult to demonstrate in well lighted stores.
- High price limits market.
- "Klutzy" compared to console tv.

TV games

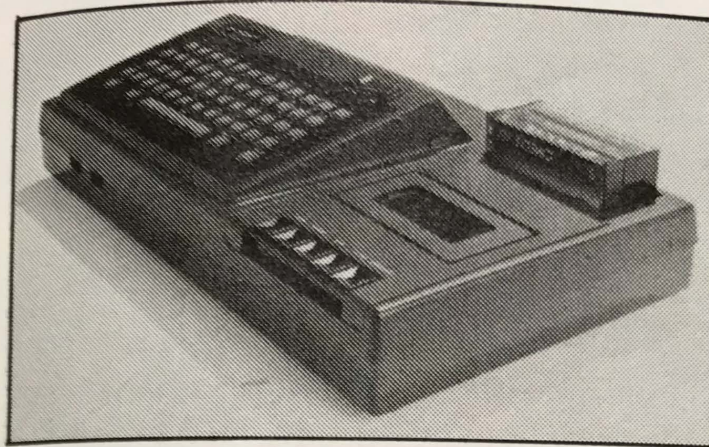
Heightened consumer awareness and familiarity with programmable games should contribute to the expanded market expected this Christmas.

Many retailers are enthusiastic about the wider variety of game cartridges available, which they plan to use in overcoming consumer complaints of "boredom" previously found with dedicated chip games.

Potential problems this season again center on a probable shortage of programmable units based on chip availability, as well as cartridges. At least one key manufacturer is already behind on cartridge deliveries promised this summer.

Also new is RCA VCT201 model, featuring an electronic timer that allows the user to pre-set not only the time and channel for unattended recording, but also the time at which the recording should end. Optionally

Interact Electronics



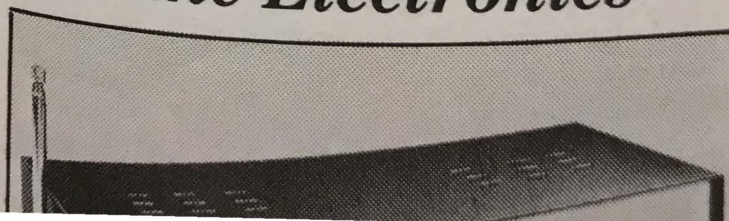
Interact home computer

ANN ARBOR, MI—Interact Electronics, Inc. introduces a home computer system complete with a 53-key typewriter keyboard and built-in cassette tape deck at \$449.95.

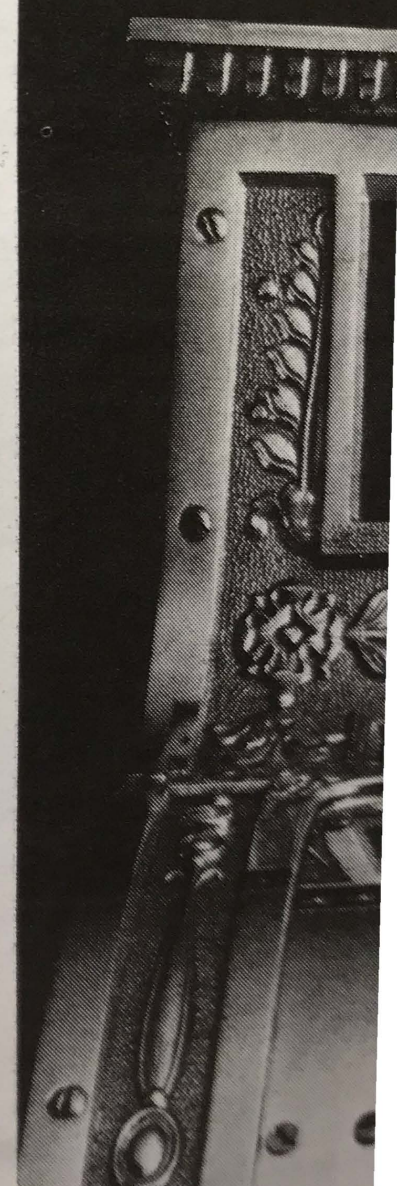
Including 8k RAM and 2k ROM resident memory; cassette tape system for storage of programs; output data; music and voice; joystick controls; full color tv output display and music synthesizer, the Interact model One system is applicable for home entertainment, education and household management functions.

Interact Electronics, Inc., P.O. Box 8140, M, Ann Arbor, MI 48107.

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Personal computers score for committed retailers

Once retailers make the merchandising commitment to personal computers, they perform well on the sales floor.

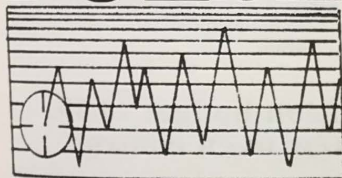
Though still at the testing or wait-and-see stage for many non-computer specialists, the new personal electronics product is receiving excellent reviews from those dealers who have taken on the lines.

The non-specialists, department stores, audio chains and independent high fidelity dealers, are emerging slowly as a marketing force in the personal computer business.

Citing lower prices, improved manufacturer selling aids, increased supply and a growing "general consumer" awareness, non-specialists are gearing up for a busy season.

"We sell the VideoBrain alongside the videotape recorders and have found early signs to be positive ones," a spokesman for Robinson's, Los Angeles, declared.

Personal Computers PULSE



"There is still some buyer resistance to the high tags, but once prices drop, I look to the mass merchandiser to gather a larger share of the computer market," he continued.

Sales training essential

In order to achieve a greater slice of the market, buyers insist that their salespeople be adequately trained. They must know the computer lingo, but not be so sophisticated as to scare the customer away.

"Our salespeople come from the advanced electronics department and are aware of the intricacies of the new computers," a buyer for a major New York City department store, noted.

"And, with manufacturers now supplying demonstration tapes and other point-of-purchase aids, it's just a matter of experience for salespeople to know the units," he added.

Still on sidelines

The majority of department stores contacted, however, do not presently handle personal computers. Most, though, are looking at the market and plan to add units in the near future.

"Give us a couple of personal computers and we'll see how it goes," a spokesman for Foley's, Houston, stated.

"We want to get into computers, but feel that this year the programmable video games will score. We're investigating all the suppliers and seeing which ones can deliver both product and merchandising help," he said.

Advertising and supply are currently being offered by many of the bigger electronics chains, such as Radio Shack and Schaak Electronics.

Tandy, the parent company of Radio Shack, has increased its personal computer manufacturing capacity to provide new hardware as well as peripherals and software.

Radio Shack has an extensive ad-

vertising campaign underway, with newspaper and television ads hitting the general consumer. Others are taking a similar approach.

"Give Your Boob Tube a Brain" is how Schaak Electronics banners its ad. "Let us show you how the new VideoBrain family computer turns any tv into a math tutor, stockbroker, secretary, accountant, English instructor, music teacher, realtor, typing teacher, financier and a lot of fun video game companions," completes the slogan.

Schaak buyer Bob Edwards indicated that the ads have been successful and the chain will continue to hit at the "general" consumer audience.

A few independent high fidelity dealers have also entered the fray. They cite their electronics expertise and customer recognition as their main selling points.

"Come on in and see the Apple II personal computer" is the greeting on a recording at Omega Northwest in Seattle, WA. Sales have been "steady" says Omega manager John Egerter.

And, the computer specialist is also benefiting from this extra exposure and publicity.

"We are selling the \$1,000 personal computers as fast as we can get them," Gene Sprouse, Rainbow Computing, a member of the Southern California Computer Dealers Assn., related.

"We are piggybacking on the high advertising done in this area by the non-specialists. And when a customer is turned on to computers through these ads, I still maintain that he'll come to us to buy," he declared. →

34,000,000 freezer owners need and want the all-refrigerator Market Master unit. Only Gibson's got it. (That's a profitable thing to know.)

Out of 76,000,000 wired homes in America, close to half already have one or more freezers.

So give your customers what they're *really* looking for. More space for *fresh* food.

Give them the Gibson Market Master that's all refrigerator. They're pre-sold on the idea. And pre-sold on the Gibson reputation for quality. (You might be surprised how often Gibson is recommended to them by appliance repair men, the people who know best the refrigerators that work.)

■ Generous 16.63 cubic-foot compartment with over 25 square feet of shelf area offers maximum storage for fresh food. (A compact Frost Clear Freezer is just the right size for a few frozen items and ice cubes, and is designed to hold an optional automatic ice maker.)

- Four adjustable full-width cantilever shelves can be arranged in different ways.
- Four full-width removable door racks, two of them cantilever.



- See-thru, glide-out crisper.
- See-thru, glide-out meat locker with adjustable temperature control stores meat correctly for optimum length of time.
- Separate butter and cheese compartments.
- Egg storage rack with two 12-egg removable trays.
- Automatic interior light.
- Adjustable cold control.
- Convertible-reversible door adapts easily to either right or left side swing, and conveniently "stops short" to prevent bumping kitchen cabinets.
- All surfaces remain clear of frost.
- Factory installed rollers.
- One of the most efficient refrigerators, designed with many features like polyurethane foam insulation and multi-magnet door seals to save electricity and reduce power bills.
- Available in standard and decorator appliance colors, including the new Almond, with superb touches such as picture frame door trim.
- For multiple-unit sales, there's an identically-sized and -styled freezer.

Gibson[®] Appliances

Made to be beautiful, made to last.

Made to be profitable.

RECORDED VIDEOCASSETTE DIRECTORY
A BILLBOARD PUBLICATION

OCT. 1978 \$15

Handy Video

WITH MORE THAN



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Semi-Annual

season... the possibility of falling prices is causing the majority of merchants to take a cautious buying stance.

Citing consumer resistance to \$1,000-and-above pricing, retailers predict a limited market in programmable decks tagged in the \$1,200 range. And low-end VTR units—some already being promoted at the \$469 level—are expected to be “bombed out” at rock-bottom prices by the end of the year.

Tv games

According to retail consensus, tv games seem to be a one-month-a-year product. Even so, shortages in both programmable consoles and cartridges are highly likely this Christmas, say merchants, who anticipate the industry to record an impressive increase over last year.

Nonetheless, slipping profitability has resulted in retailers taking a wary approach to buying in this category, too. Expecting a repeat of tumbling prices, they are seeking up-front quantity breaks or price protection from manufacturers.

Dedicated chip games are now viewed by many retailers—particularly independents—as a poor investment. Reasons most often cited include their use as giveaway items, frequent returns by customers who quickly tired of them, and the amount of time necessary to demonstrate them.

Projection tv

Primetime candidates for projection tv are VTR owners, say retailers, some of whom have staged special invitational screenings of new high-performance models for their VTR customers. The response has been good.

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R & WASHER

In car stereo, Pioneer of America topped the field with 22%, well ahead of Craig (13%) and Panasonic (12%). General Motors' Delco brand placed ninth in the list with 3%.

Survey results were much closer in the radio category. General Electric came out on top with 24% of the mentions and Panasonic was second with 22%. Sony was close behind with 20%.

When we asked about tape recorders (of all kinds), Sony garnered 39%. Again, Panasonic was second with 21%.

Odyssey vs. Magnavox

More people were familiar with the Odyssey brand than the manufacturer—Magnavox—in tv games, although quite a few people did mention Magnavox by name when asked what tv game brand comes to mind first. Together, Odyssey/Magnavox got 38% of the mentions by consumers questioned by *Merchandising*. Atari was second with 15%. Atari's position may be misleading, however.

Pong, with 7%, was listed separately because, although produced by Atari, this brand was sold exclusively for at least a year by Sears.

After that period, Sears continued to sell the Pong game (made by Atari), but Atari then began distributing this game through other independent retail outlets under the Pong label.


Telstar was also familiar to more people than the name of its manufacturer—Coleco.

GE hot in majors

In major appliances, GE topped the refrigerator category, named by 29% of the consumers interviewed. Then came Frigidaire (24%), Sears/Kenmore/Coldspot (12%) and Westinghouse (10%).

General Electric again was named most often in dishwashers (33%) with KitchenAid second (23%). Kenmore, a Sears brand, was actually mentioned more often than was

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Major Appliance Statistical Issue

Marketing Week

A BILLBOARD PUBLICATION

NOV. 1978 \$20.

Merchandising

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A BILLBOARD PUBLICATION

DEC. 1978 \$10.

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WITH MORE THAN TODAY ON ITS MIND

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units toward the purchase of a new projection sets
tion system.

Also helping to boost this high-ticket market is lengthy credit terms—up to four years to pay in some cases—offered by many dealers.

Retailers will give more promotional emphasis to projection tv this month, keyed to family holiday gift-giving and next month's Super Bowl.

A number of the nation's merchants report good action in projection systems and at least one retailer noted that he's decided to add another major projection line following fall sales that doubled anticipated levels.

TV GAMES

Christmas is the big time for tv games, and this season is expected to be the best yet for programmable units.

Recent retail sales have been called excellent by merchants who are displaying operating programmables—attracting parents, as well as kids.

Retailers believe that dedicated chip games have all but lost their appeal to consumers, who prefer to invest in the more sophisticated and challenging programmables. ●

MERCHANDISING

And a... for calculators is certainly evident this month. Many carriage-trade department stores are coming back into the calculator fold, with one major New York City giant opening an electronics section for the first time, where calculators are a featured item.

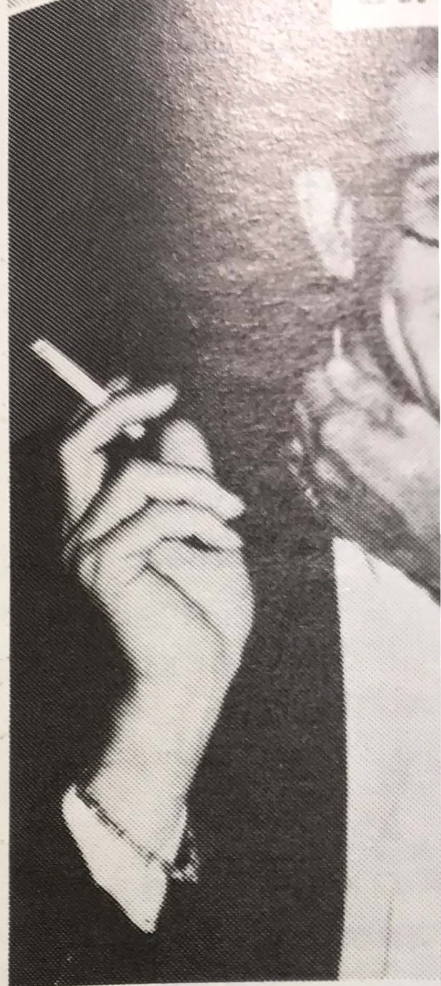
Non-video electronic games, running the gamut from the handheld football machines at \$20 to the sophisticated microprocessor-computerized gizmos at \$50, will be making their first starring appearance on retail floors this month.

The byword is volume, said buyers, with fierce price-cutting to meet the competitive challenge. Supply is plentiful, with toy and electronics buyers reasonably sure they'll sell whatever they have in stock.

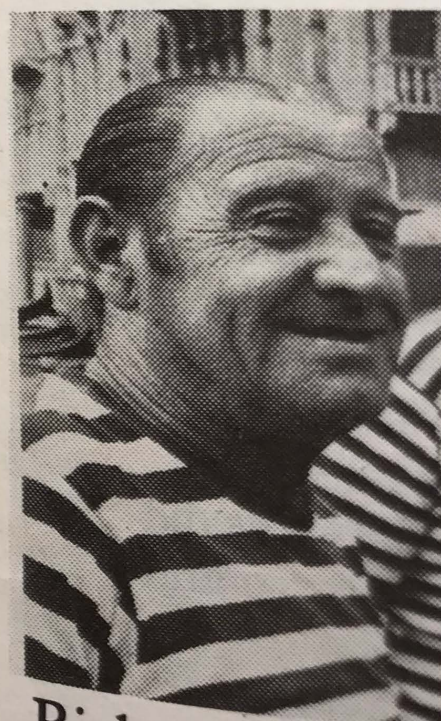
Discounters, in particular, have taken an aggressive stance with these new games, setting up separate departments and sections in their stores. They are centering their efforts on the \$20-\$40 games, again with little concern over the games' potential popularity.

Department stores and mass merchandisers plan to settle their game assortments in the high-end of their toy sections, with some indicating placing the non-video games in their adult toy sections, where they carry chess and backgammon sets.

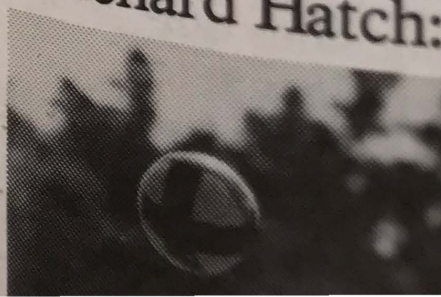
Two other personal electronics stalwarts, digital watches and



Margaux's mak



Richard Hatch:





stereo, including 8-track units ranging from promotional under-dash 8-track and cassettes to AM/FM stereo radio combinations, several with digital read-outs. Prices range from \$29.95 to \$299.95.

Many models feature electronic controls for loudness, muting, high filter and AM/FM, with LED indicators, auto reverse cassette and automatic key off eject.

Sparkomatic Corp., M, Milford, PA 18337.

VideoBrain

SANTA CLARA, CA—VideoBrain Computer Co. has introduced the APL/S Computational Language cartridge that makes the basic system programmable.

Features of the APL/S include array capability; structured control words which make it easy to write, change and debug programs in a logical straight-forward manner and a floating point package allowing clear broadrange manipulation of large groups of numbers.

VideoBrain Computer Co., 2950 Patrick Henry Drive, M, Santa Clara, CA 95050.

TDK Electronics

GARDEN CITY, NY—TDK Electronics Corp. expands its tape assortment with Super Avilyn Beta-format videocassettes.

TDK claims clear color resolution,

Communications Commission has ordered an investigation aimed at ways to reduce CB and ham radio interference with electronic equipment.

According to the FCC, about 90 complaints have been filed in each of the past two years.

Seeking public comments by May 1, 1979, the FCC is looking at such options as a requirement that all home-electronic equipment be made immune to interference or asking suppliers to offer consumers the option of an interference-free machine.

VideoBrain reduces computer retail tags

SANTA CLARA, CA—VideoBrain Computer Co. has reduced its prices on its entire home computer line by \$150 to \$200.

In addition, another system has been introduced for around \$300 at retail. The previous price range was \$500-\$1,100.

ing its biggest... electronics supermark... Manhattan.

The store will serve a for several large outle certain areas of the cou Shack, according to L president of the Tandy C

Most Radio Shack 2,000 sq. ft., but Korn not large enough to creasing assortment of tronic products Radio develop over the next

The new stores, beca would allow space for ments: Computers, s and telephone produ Radio Shack's other l

Also, Kornfeld said cialty product depa added to 200 Radio Sh fully to provide "ad without additional p or personnel."

Merchandising

MARKETPLACE

■ CLASSIFIED—\$60 per inch. 3 consecutive times: 5% discount; 6 consecutive times: 10% discount; 12 consecutive times: 15% discount. Box rule around all ads.

■ Box Number, c/o MERCHANDISING, include \$1.00 service charge for Box Number handling.

■ Deadline—Closes the 17th of the previous month.

ADDRESS ALL ADS—Classified, MERCHANDISING, 1515 Broadway, New York, N.Y. 10036
Dept. 212/764-7514. Outside NY STATE TOLL FREE 800-223-7524 ask for HOWARD COHEN

Please run my ad in your next issue and for _____ more issues

COMPANY _____

NAME _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____